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Asia and the Pacific Division
Programme Management Department

**Rural Livelihoods Improvement Project (RULIP) in
Kratie, Preah Vihear and Ratanakiri (DSF-8005-KH)**

Supervision report

Main report and appendices

Contents

Appendices

Abbreviations and acronyms

AMIS	Agricultural Management Information System
AWPB	Annual Work Programme and Budget
CBRDP	Community-Based Rural Development Project
CEW	Commune Extension Worker
CC	Commune Council
CCFPA	Commune Council Focal Point for Agriculture
CIAT	International Center for Tropical Agriculture
CIP	International Potato Center
CIP	Commune Investment Plan
CMDG	Cambodian Millennium Development Goal
COSOP	Country Strategic Opportunities Paper
DNPC	Deputy National Project Coordinator
D&D	Decentralization and De-concentration
DAHP	Department of Animal Health and Production
DAO	District Agricultural Office
DST	District Support Team
ExCom	Executive Committee of the Provincial Rural Development Committee
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FFS	Farmer Field School
4FGF	Food, Feed, Fuel, and Fibre for a Greener Future (CIAT)
FSIG	Farming Systems Improvement Group
GEF	Global Environmental Facility
GRF	Group Revolving Fund
IFAD	International Fund for Agricultural Development
IP 3	Three Years Implementation Plan of the National Programme for Sub-National Democratic Development (NP-NSDP)
LC	Learning Community
LCDP	Learning Community Development Project
LIG	Livelihood Improvement Group
M&E	Monitoring and Evaluation
MAFF	Ministry of Agriculture, Forestry and Fisheries
MAFF PSU	Ministry of Agriculture, Forestry and Fisheries – Project Support Unit
MEF	Ministry of Economy and Finance
MFI	Micro-Finance Intermediary
MoP	Ministry of Planning
MoWA	Ministry of Women's Affairs
M&E	Monitoring and Evaluation
MTR	Mid-Term Review
MVF	Most Vulnerable Family
NAPA	Promoting Climate Resilient Water Management and Agricultural Practices in Rural Cambodia
NCDD	National Committee for the Management of Decentralization and De-concentration
NCDD	National Committee for the Management of Decentralization and De-concentration Secretariat
NGO	Non-Government Organization
NIPMP	National Integrated Pest Management Programme
NPC	National Project Coordinator
NP-SNDD	National Programme for Sub-National Democratic Development
NSDP	National Strategic Development Plan (2006-2010)
NSEDP	National Socio-Economic Development Plan

O&M	Operation and Maintenance
PADEE	Project for Agricultural Development and Economic Empowerment (IFAD loan 870-KH / DSF Grant 8101-KH)
PDA	Provincial Department of Agriculture
PDoWA	Provincial Department of Women's Affairs
PIA	Participatory Impact Assessment
PRDC	Provincial Rural Development Committee
PSDD	Project Support for Decentralisation and Deconcentration
PST	Provincial Support Team
PY	Project Year
RGC	Royal Government of Cambodia
RIMS	Results and Impact Management System (IFAD)
RPRP	Poverty Reduction Project in Prey Veng and SvayRieng (IFAD)
RULIP	Rural Livelihoods Improvement Project
TA	Technical Assistance
TOR	Terms of Reference
UNDP	United Nations Development Programme
USd	United States Dollar
VAHW	Village Animal Health Worker
VEW	Village Extension Worker

A. Introduction¹

1. The goal of the Rural Livelihoods Improvement Project in Kratie, Preah Vihear and Ratanakiri (RULIP) is to improve the livelihoods of the rural poor in the Project Area and the target communes of the three provinces. The purpose is to assist 22,600 poor households in the Project Area (84 poor communes in 16 districts in the three provinces) achieve positive and sustainable impact on agricultural development.
2. An IFAD Grant of SDR 6.4 million (equivalent to approximately USD 9.2 million) under the Debt Sustainability Framework (DSF) was approved by the Executive Board of IFAD on 18 Apr 2007 for financing RULIP (IFAD DSF Grant No. DSF-8005-KH). The Project Grant Agreement was signed on 28 May 2007 and became effective on 31 Aug 2007. The Project Completion Date is 30th September 2014 and the Grant Closing Date is 31 Mar 2015. In Dec 2007, the IFAD Executive Board approved the project as one of the projects to be directly supervised by IFAD. Based on the conclusions of the Mid-Term review carried out in Jul 2011, the Executive Board approved supplementary financing in the order of USD 2.5 million (Dec 2011).
3. The 2013 Supervision Mission (“the Mission”) follows on from the 2012 Supervision Mission and a series of subsequent implementation support missions by IFAD from Jan to Jun 2013 in response to the 2012 Supervision Mission findings that project performance had declined to “moderately unsatisfactory” with only modest impacts on target households. As RULIP is about to enter its final year, the current Mission also focuses on preparations for project completion and exit in addition to its regularly supervisory and fiduciary responsibilities. The Mission spent 8 of 13 days visiting field activities and meeting project teams in all three project provinces and visited 10 of the 16 project districts.

B. Overall assessment of project implementation

4. Overall implementation has improved to “*moderately satisfactory*” with improved delivery in all three provinces as well as the Project Support Unit (PSU) of Ministry of Agriculture, Forestry and Fisheries (MAFF) and Ministry of Woman’s Affairs. Improvements are most notable in Ratanakiri where substantial improvements in the quality and effectiveness of project management and field activities have resolved many of the issues identified in 2012.
5. In addition to the turn-around in Ratanakiri, notable achievements in the last year include:

Farmer training:

- (a) strong implementation of demand-driven farmer training, especially in Preah Vihear and Ratanakiri
- (b) introduction of effective supervision and quality assurance systems for all farmer training, principally through more proactive role from the District Support Teams, though some further improvements are still possible
- (c) on time start of farmer training and set-up of associated demonstration by the provinces (except cassava training in Kratie – see below)
- (d) introduction of farmer field schools (FFS) on cassava in response to strong farm demand – though some delay to cassava training and demonstrations in Kratie meant they were substantially later than the main production season of farmers and unable to include appropriate intercropping techniques as the period of heavier rains had already started
- (e) introduction of AVSF as a service provider into the project implementation to support improved livestock activities with farmers and village animal health workers (VAHW)

Nutrition

- (f) launch of new social marketing approaches to nutrition improvement, including promising approaches such as village cooking competitions

Management

¹ Mission composition: Nigel Smith (Mission leader), Sakphouseth Meng (GRF, planning and management specialist), Mohamed el-Mensi (Financial management specialist). The M&E specialist scheduled to join the Mission was unable to attend due to unforeseen circumstance after the start of the Mission. The Mission was joined in the field by representatives of Ministry of Economy and Finance incl. Mr Keo Vibol, Ministry of Women’s Affairs, the MAFF PSU Deputy National Project Coordinator and representatives of VADDHANAK and AVSF as key implementing partners. The IFAD CPM provided close support and direction remotely during the mission and participated fully with the Mission Leader in the intensive implementation support process for the project over the preceding 10 months.

- (g) stronger focus on impacts at all levels of project management, especially related to farmer training (via adoption of improved production practices) and nutrition behaviour change
- (h) ongoing collection of extensive participatory impact assessment (PIA) data on all farmer training and plans to extend this to nutrition interventions as well

6. While there has unquestionably been good progress in many areas in the last 12 months, a number of shortcomings are also noted:

Farmer training

- (a) Limited follow-up support provided to farmers trained in 2012, principally due to a shortage of training staff in all three provinces
- (b) Delayed start to farmer livestock training and strengthening the VAHW networks due to slow procurement process of main service provider contract

Group revolving fund (GRF) sustainability and exit strategy

- (c) GRF sustainability and exit strategies are yet to be substantially progressed, including tackling the long standing problems of failed groups and high bad debt especially concentrated in 3 districts of Ratanakiri
- (d) Agricultural cooperative (AC) conversion and upgrading processes for GRF groups is ad-hoc and insufficient to give higher chance of success

Management

- (e) Data from PIA is not yet computerized or available for analysis
- (f) Procurement by PSU of key service provider contracts was heavily delayed leading to significant negative impacts on progress on livestock training, GRF sustainability and exit strategies and nutrition. Negative impacts on livestock and nutrition activities are likely to be recoverable over the next 12 months, however the delays on starting GRF sustainability efforts will be harder to recover.

7. The project now has 12 months of activities remaining. In addition to addressing the shortcomings identified above, preparation must now begin for project completion. To enable the timely implementation of the project completion plan, actions are needed immediately including the advance procurement of several packages needed under the project completion plan including related to the PIA database, analysis and related tasks and the RIMS Plus survey and analysis.

Agreed action	Responsibility	Agreed date
Farmer training: Strengthen process and quality of supervision by PST/DST with an emphasis on coaching of IPM trainers, especially in Kratie	PDAs, especially Kratie	9 Sep 2013 onward
Farmer training: complete targeted follow-up and refresher training for all farmers previously trained by the project (LIG, MVF, FSI) subject to demand & available budget	PDA	From Jan 2014
Farmer training: Offer additional FFS or short courses on cassava for farmers trained in 2012 or FSIs, subject to demand & available budget	PDAs	Apr 2014
Farmer training - livestock: Strengthen coordination between PDA and AVSF as single team on livestock including clarifying roles, responsibilities and budget/planning of training and demonstrations	PSU, PDAs, AVSF senior management	30 Sep 2013
GRF sustainability: Credible individual group roadmaps need to be prepared with each group based on the real status of groups including true financial position giving priority to viable groups	PSU, PDA, VADDHANAK	31 Oct 2013
GRF sustainability: Transparent process to be designed for dealing with bad debt within continuing groups and resolution of failed groups then implemented for all groups.	PSU, PDA, VADDHANAK	Process by 31 Oct 2013 Full roll-out completed by 30 Apr 2014
GRF sustainability: “Best practice” Agricultural Cooperative conversion and capacity building process to be designed in detail, including resource requirements (people, costs), via sole sourcing of a consultant if needed	PSU, PDA, VADDHANAK	15 Oct 2013
GRF sustainability: Implementation of roadmaps with all viable groups to begin ASAP with appropriate coaching/capacity building and quality monitoring of the support process	PSU, PDA, VADDHANAK	31 Dec 2013 latest start for all groups
Nutrition: PIA-based monitoring to be extended to cover nutrition activities	MoWA / PDoWA	31 Oct 2013
Nutrition: PDoWA and DST to be encouraged to try innovative approaches to social marketing on child nutrition until end 2013 and then most effective approaches (based on evidence of impacts) scaled up in 2014	MoWA / PDoWA	31 Dec 2013
M&E: PIA – Continue to collect PIA data for all trained households for each production cycle, including for crops and livestock producers	PDAs	30 Sep 2013 onward
Project completion: Begin immediate implementation of agreed project completion plan (see Annex) including the advance procurement before the 2014 AWPB is approved based on the projects estimation of the packages for completion of: a) the PIA database/analysis and associated tasks, and b) RIMS Plus survey and analysis and associated tasks	PSU	30 Sep 2013 onward
Project completion: Impact data -PIA - Complete database design, data cleaning, data entry and analysis. To be contracted out to an experienced firm/organisation if possible. Procurement process to begin immediately, using advanced estimation prior to AWPB 2014 approval	PSU	Contract signed by 31 Jan 2014 Analysis report by 30 Apr 2014
Project completion: Impact data -RIMS - Contract out RIMS Plus end-line survey design, data collection and analysis to an experienced firm/organisation (as in PADEE). Procurement process to begin immediately, using advanced estimation prior to AWPB 2014 approval.	PSU	Contract signed by 31 Jan 2014

C. Outputs and outcomes

Component 1: Livelihood Improvement

8. Overall progress on the component has improved to *moderately satisfactory*.
9. **Farmer training** is now *moderately satisfactory*. Quality, consistency and relevance have improved significantly in the last year through the new system of participatory training needs assessment, close supervision of training and refresher training of trainers on facilitation skills as well as technical knowledge. The level of participation and motivation of farmers is high among the approximately 4,300 farmers currently receiving training in 2013 (either in longer format Farmer Field Schools or shorter course) and technology adoption rates are expected to be high and impacts on yields/flocks well over the target 10% increase for those adopting the technologies.
10. The main target for the project on farmer training is that “10,350 households (70% of the total of 14,800 group members) report an increase of more than 10% productivity for key crops of household and/or increase in flock/herd size”. This is to be achieved by “10,350 farmer households (70% of total group members) adopting 3 or more improved technology components for improved technologies for crops or livestock promoted by the project for at least 2 production seasons after training is completed.”
11. Against these targets, the total number for farmers who have received extended production training by the project will be in the order of 14,400 households (approximately 4,300 in 2013, 4,700 in 2012 and 5400 FSI members provided with FFS training before the MTR). If the initial indications on high adoption rates and good impacts on productivity for the 2012 and 2013 training groups are confirmed more widely by the PIA, combined with the likely higher adoption by the more capable FSI farmers then the project may come close to meeting its performance targets on farmer training.
12. However, all three provinces have faced shortages of experienced trainers which have partially limited the volume of training being provided. This has been most evident in the lack of follow-up and focussed refresher training provided for farmers trained in 2012 before the 2013 production season despite specific plans for this. So an opportunity has been missed to further support the adoption of new technologies by farmers. For 2014, the priority should therefore be to provide targeted refresher training and support to farmers previously trained by the project – including those in LIGS, MVFs and FSI groups – to maximize the lasting impacts of the project.
13. If supported by evidence of good impacts, these new systems for management and delivery of farmer training may provide an interesting example for public sector service delivery of relevance to the forthcoming “ASPIRE” programme.
14. **Animal health and production support** is now *moderately satisfactory* and being implemented based on the village animal health worker (VAHW) based approaches of Agronomes et Vétérinaires Sans Frontières (AVSF) which has been contracted to provide additional support on livestock activities. Of the 267 VAHW already in place in target villages across the three province whose capacity has been assessed, only 30 (11%) were found to be active. A further 60% needed re-training while around 30% needed to be either replaced or trained in full. At the time of mission refresher training of existing VAHW was ongoing and recruitment of replacement VAHWs had begun.
15. For livestock farmer training, the AVSF approach is: for livestock demonstrations to be attached to the VAHWs (instead of a farmer from the group); for farmers to be provided with a one day training on theory by an experienced livestock technician (supported by the VAHW), then; with regular follow-up on their farms conducted by the VAHW using family record books and other established follow-up materials. The first farmer training has begun in the provinces. However due to the lack of familiarity with the approach among PST/DST staff, there is confusion among PST/DST on the approach itself and role of PST/DST livestock staff and CEWs in the process.
16. To ensure good sustainability of the approach, the PST and DST livestock experts of PDA and AVSF team need to work in close partnership as a single team in each province. In particular, they need to jointly deliver the provincial level training to VAHWs as well as taking responsibility for providing supervision and ongoing coaching of VAHW’s follow-up with farmers. Over the next year these task will need to be done by the joint

PDA / AVSF teams in the province and then after Sep 2014 taken over by the PDA livestock staff of the province and district.

17. At present, the coordination between the PST/DST and AVSF teams is not smooth and there is a lack of shared understanding about the different roles and responsibilities. Similarly, there appears to be some confusion in terms of the targeting and allocation of farmer livestock training courses and demonstrations across villages and groups based on the training needs assessments already completed. The AVSF central contract included a budget amount based on an estimated demand from farmers for livestock training which was signed before the actual training needs assessments had been completed. As such, in some provinces the level of demand for training and demonstrations (e.g. one for pigs and one for chickens in the same village) is higher than the budget assigned to AVSF. In such cases, the PDA should pay the costs of the additional demonstrations and training days required, as the PDA are currently significantly under-spending on their farmer training activities. Impact data from the livestock training will also need to be collected, with the CEWs (under the management of the DST) expected to play a leading role in this.
18. While such problems are not unexpected in the early stages of a new partnership, the senior management of the PSU, PDAs and AVSF will need to work jointly as a single team to quickly resolve these minor issues so the partnership can be most effective.
19. **Group Revolving Fund** performance is *moderately satisfactory*. Capital growth (deducting bad debts) as of Jun 2013 was 38% in Preah Vihear and 27% in Kratie and 26% for the project overall, excluding three problem districts in Ratanakiri (against a project target of 25%). This good growth in capital in a large majority of groups demonstrates the value of the GRFs to their members, with the additional benefit of most loans being used for improved farm production.
20. However, there has been a widespread failure of GRF groups in three of six districts in Ratanakiri (Kon mom, OuYadav and Veunsai), and to a lesser extent in a fourth district (Borkeo). Only five of 64 groups in these three districts have grown their capital. Excluding these five groups that have grown, the capital of the other 59 groups has *decreased* by 74% since their formation. The depth and concentration of these problems indicate serious issues with the original group mobilization process and GRF set-up. Most, if not all, of these groups have almost certainly collapsed and reviving them is not possible. The project will therefore need to implement a transparent and systematic process for formally closing these failed groups and dealing with any remaining funds in the groups. Reviewing the lessons to be learned from these problems should be a specific topic during the project completion process.
21. Group sustainability still needs to be substantially improved, for a large majority of groups. Of the 406 GRF groups, only 6% (23 groups) are assessed as being very mature and fully able to operate without support (against a target of 70%). A further 42% (171 groups) are assessed as mature but still needing some external support and 31% (126 groups) are assessed as medium (active but with notable weakness and requiring more support). Together these active groups represent 80% of the GRF groups formed and should now be the focus for the project's efforts on group sustainability and exit. The remaining 20% of groups (86 groups, of which 76 in RTK) have, in practice, failed and will need to be formally closed and any remaining funds dealt with.
22. Roadmaps for each viable group setting out their direction to the end of the project and beyond have begun to be prepared in all three provinces. These roadmaps sensibly draw from a range of potential routes to achieve greater sustainability, for example ranging from remaining as standalone GRF groups (where these are working well) or merging with other groups to form Agricultural Cooperative (initially focusing on savings and credit) among various options. Initial work has also begun to build greater involvement of Commune Councils in providing oversight of groups using public meetings and social audits. However, the range of efforts on group sustainability need to be accelerated and intensified as a matter of urgency if a majority of groups are to be ready to operate independently of project support by Sep 2014. Among various issues, the project will need to implement a clear process for groups to write-off or otherwise deal with long standing bad debts that are still being reported as capital by groups.
23. Converting to Agricultural Cooperatives (ACs) is a key strategy for many groups. While this may be sensible in many cases, the project team needs to quickly establish a clear "best practice" process for supporting

groups to make such transitions and build genuine capacity within the groups/ACs so they can grow to become vibrant ACs. With only 12 months until project completion, this more intensive and “good practice” process needs to begin with each group converting as soon as possible, not waiting until 2014.

24. **Nutrition** awareness and behavioural change activities are *moderately satisfactory* targeting early childhood and pregnant women as a strong focus for MoWA and PDoWA in the last 12 months. The delayed appointment of the Nutrition Advisors delayed the start-up of the new programme of activities, but implementation has now started in all provinces and should be completed on time by the end of the year. The new approaches, including cooking competitions, mother-to-mother networks, theoretical nutrition training and demonstration of home gardens, appear to show potential for impacts and are being well implemented so far. However, good information will need to be collected and analysed on the effectiveness of these approaches in stimulating actual changes in behaviour. The planned use of PIA instruments in support of this is therefore very important. The project should also be prepared to test further improved or innovative ideas that may contribute to nutrition behavioural changes and learn quickly what works and what does not so that resources can be directed to the more effective approaches.

Component 2: Support to Decentralization and De-concentration in Agriculture

25. Overall progress on the component has improved to *moderately satisfactory*. The MTR recommended that the project focus on the area of studies and reviews in support of project implementation through four priority activities: development of project results chains, implementation of annual outcome survey, introduction of participatory impact assessment (PIA) with farmer training and completion of the RIMS end-line in 2014.
26. The project results chains, especially for the key area of farmer training, are now prominently displayed in most of the project offices at provincial and district levels. There appears to be a growing understanding among project staff at various levels of the impact mechanisms summarised in results chains (if not the full results chains themselves) and, consequently, an increased focus on impacts and how the day-to-day activities of the teams contribute to achieving these. However, project managers at district, provincial and national level do not yet appear to be regularly tracking and reviewing progress against the intermediate indicators of change and so are not yet fully managing the project for results.
27. The PIA data collection process is now being extensively implemented across the project with PIA data being collected for almost all households trained in particular production technologies in 2012 and ongoing for 2013 and then with follow-up data collection linked to subsequent production cycles. Combined with the improved data on the GRF groups' status now being collected, the PIA has largely removed the need for an Annual Outcome Survey. With the agreement of the recent implementation support mission, the envisaged Annual Outcome Survey for 2013 has therefore not been implemented.
28. Analysis of the large quantity of impact data being generated by the PIA must now begin, for internal management purposes as well as a critical input to the project completion report and stakeholder review workshops. Similarly, preparations must also begin for the RIMS Plus end-line survey, which will need to also cover some additional issues/indicators not specifically addressed in the PIA or GRF data. The PSU capacity to lead these activities is limited in terms of number of staff and skills. Additional expertise should therefore be brought in to deliver these critical M&E related activities, similar to the contracting-out approach for RIMS used in PADEE.
29. **Agreed actions** are detailed in Section B above.

D. Project implementation progress

30. **Project management performance** has improved and is *moderately satisfactory*. The project leadership has taken effective steps to resolve the management issue in Ratanakiri. Building on this, the project team in Ratanakiri have seized the opportunity to transform the management and delivery of the project in their province. In many respects the management in Ratanakiri is now among the best in the project and is *satisfactory*, as is also the case in Preah Vihear. Both provinces put in place improved management systems for overall staff management but also for supervision of field activities to improve quality and consistency of

delivery. Kratie have begun to implement similar approaches but less consistently so far than in the other provinces.

31. In the last 12 months the PSU has also played a more active management role to support the efforts of the provinces to raise performance. The close support of IFAD, with 4 support missions over a 7 month period to June 2013, has also contributed to improved project management. The joint support missions by the PSU and IFAD with frequent visits to all provinces and many districts has enabled the project to maintain a clear focus on results and resolve emerging issues quickly and effectively.
32. Technical assistance in the PSU and provinces (and by IFAD) has played a critical role in raising the project management performance in the last year. However, in practice, there is heavy reliance on a small number of capable and dedicated staff to drive the project, making the project vulnerable to the loss of key staff. This limited depth of capacity within the project team, especially in the PSU, indicates a need for careful consideration of PSUs roles and resourcing in future projects if these risks are to be minimized and some of the earlier problems of project management in RULIP not repeated.
33. **Planning, monitoring and evaluation** is *moderately satisfactory*. The project is now gathering extensive and rich data on impacts through the PIA for all farmer training as well as qualitative insights through the gender case studies. There are also plans to extend the PIA into the work on nutrition as well as case studies for farmer training and other activities. However, little of this valuable information is being analysed or used to inform management decisions. With the end of the project rapidly approaching there is a need to quickly begin the process of computerizing, cleaning and analysing the PIA data as well as consolidating the various case studies with initial analysis results available by Apr 2014. The project has limited capacity to deliver these activities and so should procure additional support. Furthermore, preparation needs to begin soon for completion of the RIMS Plus end-line survey, which it is recommended to contract-out (as has been done for PADEE) so as not to distract project teams in the PSU and provinces from critical implementation activities over the remaining 12 months.
34. **Poverty focus** and inclusion remains *satisfactory*. As was noted at MTR, the project has a strong poverty focus in its design and delivery. There is an effective targeting mechanism for directly reaching poor households and its choice of interventions through farmer training, GRF, nutrition and selected support on inputs remain relevant. The more responsive approach to farmer training now being used further strengthens the poverty focus by providing poorer households greater opportunity to have their own particular priorities for training and support met by the project.
35. **Gender focus** remains *satisfactory* and has continued to improve over the last year through the more responsive farmer training, at which there are high levels of women's participation, as well as through the revitalized efforts on early childhood nutrition targeting expectant women and mothers of young children in the target communities. Initial discussions and observations of events during the Mission indicate that the use of social marketing techniques as well as mother-to-mother approaches to nutrition appear to be providing greater status to these issues in the community and empowerment of women to tackle them.
36. **Targeting** and social inclusion remains *satisfactory*. As noted by previous missions, RULIP has adopted a targeting approach that comprises geographical targeting (selection of poor communes and villages) and participatory selection of poor households at the village level (via wealth ranking). This has proven effective, resulting in a strong performance in reaching out to the intended targets groups. The project operates in largely ethnic minority areas in Ratanakiri, and inclusion of female-headed households is high. In addition to effectively selecting the poor households, the wealth ranking exercise successfully differentiated them into three groups (two where there is no MVF), representing different income strata and with largely common livelihood constraints and opportunities within each strata but differences between strata. Selection of activities of particular relevance to the poor, e.g. poultry and vegetable production, has also further strengthened effective project targeting and has been further strengthened this year through the more responsive approach to farmer training. In addition, the timing and location of farmer training this year has been deliberately determined in consultation with farmers to maximize convenience, in many cases happening far from the village centre close to the farmers' fields or champak. Similarly the targeting of pregnant women and mothers with young children for the nutrition activities has been very effective.

37. **Partnerships** in the project are *satisfactory* and have expanded this year, with the introduction of AVSF to support livestock activities, ongoing engagement of VADDHANAK in support of the GRF groups and the role-out of the cassava training that was based on the earlier partnership with CIAT. Overall these partnerships appear to be working reasonably well, with some minor coordination and communication issues on the AVSF partnership which are not uncommon for new partnerships.
38. **Knowledge management** is improving and is *moderately satisfactory*. The project has begun to gather case studies related to gender and as well as staff increasingly using social networks (e.g. Facebook) and other internet services (e.g. cambodiagreen.org) and media to share knowledge more quickly and effectively. RULIP is increasingly achieving good results and has overcome many challenges to do so. It therefore presents a valuable opportunity to share lessons and knowledge. This should be an important aspect of the project completion process, including documenting and learning from mistakes as well as successes using evidence from the field. The use of case studies should also be extended to other aspects of the project work, on farmer training, nutrition and GRF groups.
39. **Climate and environmental focus** is *moderately satisfactory*. RULIP is a low impact/ low risk project from an environment perspective. While not explicitly targeted in the project design, the combination of activities under the project should improve the climate resilience of the target communities. In particular the combination of farming training to diversify household income and agricultural production beyond rice (e.g. vegetables, poultry) together with improved financial assets of households and groups via the GRF will improve the capacity of households to recover from shocks.
40. **Main agreed actions** are detailed in Section B. Additional detailed actions are shown below:

Agreed action	Responsibility	Agreed date
Management: AWPB 2014 to be completed and approved as early as possible, including credible projects for actual budget available in 2014	PSU	30 Nov 2013
Management: AWPB 2014 including detailed staffing reduction plan month by month in line with expected actual workload at each level of the project as the project moves to completion	PSU	30 Nov 2013
Management: Provincial contracts (among IP3/PDA/PDoWA) to be signed by end Dec 2013	IP3 / PDA / PDoWA / PSU	31 Dec 2013
Management: Intensive mobilization to field of PST, DST and IPM trainers needs to be ensured from now to end of project including adjustments/reallocation of budgets for DSAs, allowances, fuel and repair of motorbikes and vehicles in 2013 and 2014 in PSU and the 3 provinces as necessary	PSU / PST	08 Sep 2013
Management: Budget reallocation in 2013: the project in MAFF PSU, Kratie, Preah Vihear and Ratanakiri should review actual forecast expenditures in budget lines for 2013 and reallocate funds from under spent items to the activities and agreed actions from the Mission, for example to additional nutrition related items/activities, additional livestock demonstration and training or costs for mobilizing staff more intensively to the field	PSU, PDA in 3 provinces	30 Sep 2013
M&E: Case studies approach to be extended to include case studies on other areas of project activities e.g. farmer training, GRF	PSU / PST /DST	01 Oct 2013 onwards
Project completion: Process to include PST/DST review of results chains and performance against implied intermediate change indicators	PSU / PST / DST	Mar 2014

E. Fiduciary aspects

41. **Financial management** remains *moderately satisfactory*. Overall, the system of financial management and controls is in place and generally functions to an acceptable standard despite the persistence of some weaknesses, especially in the internal control safeguards that need to be addressed along the recommendations of the supervision mission and the external auditor. The project has in place adequate numbers of suitably skilled staff to operate RULIP financial management system, the issue of staff turnover

observed during the previous years has been dealt with in a satisfactory manner. Also, IP3 finance advisers are providing helpful support to the project finance officers. The transition of project administration to the new “IP3” governance system which had caused, in the beginning (until last year), some inefficiencies and delays in various aspects of the administrative and financial management, is now well completed, allowing for smooth, relatively timely operation of the project activities in the 3 RULIP provinces. More detailed review of the project financial management is provided in the Annex and the main issues are highlighted below.

- (a) Despite the effort undertaken by national and provincial level managers to improve the efficiency of the financial processes within each RULIP agency and between the national level (MAFF-PSU) and the provinces, there are still some bottlenecks to be removed to avoid negative impacts on project performance. More particularly, the processing and settlement of payment vouchers should be streamlined and shortened to the most extent feasible; another area that needs to be improved is the clearance and liquidation of special advances made to the provincial implementing agencies (PDA and PDoWA) so that reporting back to, and replenishment of the provincial accounts are completed in a timely, consistent manner.
- (b) There is still inconsistent follow-up in term of funds flow between the national and provincial levels and within the provinces. In this respect, the Finance Officer of the MAFF-PSU should track the progress of the provincial expenditures and amount of outstanding advances as well as their cash position. For instance, during the first semester of 2013, the amount of funds and timing of release by MAFF-PSU to the provinces did not adequately match the amounts requests by the provinces.
- (c) The Project Annual Financial Statements still do not include a comprehensive list of RULIP fixed assets due to the fact that MAFF-PSU is not maintaining a consolidated assets register for the project.

- 42. **Internal audit.** The Project still does not have an Internal Auditor to perform the internal control of its operation at national and sub-national level, as mandated in the Project Implementation Manual (PIM). The Project sought initially to assign such function to the Department of Audit within MAFF; but this option could not be pursued because of lack of sufficient capacity and resources of the Department of Audit to take over the task. The weaknesses and shortcomings affecting the Project internal control structure command that a thorough review of the Project internal control system be performed in order to address those weaknesses, minimise fiduciary risks and, at the same time, support RULIP managers in improving the quality and efficiency of the Project’s financial management system.
- 43. **Asset management:** The Mission reviewed the Asset Register maintained in Ratanakiri and Preah Vihear. Both provinces are using the web based National Inventory Database (NID) of NCDD to record the fixed assets. The two provinces did not really perform a physical count of their assets as part of the annual financial reporting requirement; instead, the Administrative Officer of the project just generated a list of assets from the NID database and marked all items in that list (✓) based on his own ‘flair’ rather than performing a genuine physical count as required by the PIM. The random checks conducted on a sample of assets used by IP3 RULIP Finance Officer in Ratanakiri and Preah Vihear found that all have identification tags.
- 44. At the central level, The MAFF-PSU is not maintaining consolidated assets register of the project fixed assets; MAFF-PSU Administration Officer collects lists of provincial assets (generated from NID database) and maintains a computerized list of assets used at the national level (PSU, MEF, MoWA). MAFF-PSU has conducted a physical count of fixed assets at the custody of national level agencies (MAFF-PSU, MEF, and MOWA); however, the Mission could not ascertain that the “consolidated lists of assets” do include all RULIP assets.
- 45. As noted in the 2012 Supervision Mission report, the NID database system is not flexible enough to allow for straightforward correction of entry errors or updating the data stored (as a result of the physical count). Corrections, if any, can be made only by the authorised officer in NCDD (Phnom Penh) at the formal request of the Provincial Administration. Furthermore, because asset recording in the NID system is dependent on the documentation available to the operator, there is always a risk that if the Finance Officer fails (for any reason) to forward the proper document to the operator, then there will be no other way to trace the missing entry. For this and other reasons (accountability for use of assets by staff members, monitoring of assets

condition...) it is critical to perform a physical count of assets on a regular basis and reconcile it with the Asset Register records, and if any update the Asset Register accordingly.

46. Office suppliers and stationary management. The Mission checked how office suppliers and stationary are being managed in the three RULIP provinces and found that the arrangements required in the project PIM are not being followed, to the extent that (i) the officer in charge (administration) does not maintain an inventory control book, (ii) no periodic physical count is being conducted, and (iii) the office suppliers and other consumables are not properly safeguarded from potential unauthorized use.
47. **Disbursement** is *moderately satisfactory*. The status of disbursement from the IFAD Grant 8005 KH as at 31 Aug 2013 amounted to SDR 5,949,884 (excluding outstanding WA claims) which is equivalent to 93 % of IFAD initial financing (grant) of SDR 6,400,000, or 95% if the outstanding WAs (SDR 106,389) are taken into consideration. However, when compared to total IFAD funding (Grants and Loan as per the Project revised Financing Agreement), the disbursement rate is 73.5% (or 75% if outstanding WAs are included). It is noted that up to end Aug 2013, no disbursements have been made from IFAD Loan DSF 8005 A/KH and IFAD additional Grant DSF 8005 A/KH (Appendix 3 of AM – Table 3 c & F-A, F-B). The actual overall achievement on expenditure by financier is 79.3%, UNDP being the highest at 100% and the Government is the lowest at 61.5% (Appendix 3 of AM – Table 3 A). It should be noted in respect that the disbursement performance from the RGC counterpart funding is in reality higher if we consider the accumulated amount of tax exemptions awarded to the project; there is so far no record of these exemptions – which should be computed and credited against the funding obligations of the RGC. Similarly, the actual overall achievement by component is 79.3%, the expenditures against component A is the highest at 91.3% while the expenditures against component A is at 52.1% (Appendix 3 of AM – Table 3 B).
48. By the end of Dec 2013 total projected expenditures would be about SDR 7,818,000 if all of AWPB activities would be implemented – which is a very optimistic assumption given the pace of implementation during the first 7 months of 2013 (around one third of AWPB).
49. **Counterpart fund** remains *moderately satisfactory*. The Project had a slight counterpart fund shortage in 2013, principally due to the requirements of the internal review and authorization process of the national public finance system (and not only specific to RULIP) . Regarding the RGC's commitment for 2013, to end August, USD 40,000 were released to the project; making the rate of disbursement for 2013 equal to 37% against the approved AWPB allocation of USD 65,889.
50. **Compliance with loan covenants** is *satisfactory*. The majority of loan covenants are being complied with. The 2013 AWPB was however submitted (in April) after the established deadline (delay by about 5 months). Procurement activities in the provincial level are following the NCDD Financial Manual. Details are in Appendix-4 of AM.
51. **Cash Flow Management** is *moderately satisfactory*. Overall, there were no cash shortages at both the Grant Bank account and the provincial level project accounts over the review period; The balance on the Grant Bank Account as at 31 Jul 2013 was only USD 4,616 – a very inadequate level of cash position; and the balance of the project accounts as at the same date was USD 377,284. The reconciliation of the Project Accounts in MAFF-PSU, PreahVihear and Ratanakiri for the months of Jul 2013 was checked and was correctly done. The MAFF-PSU is not maintaining an auxiliary bank journal for the transactions of the Grant Bank Account. Therefore, no genuine reconciliation of the Grant Bank Account cannot be done properly, although PSU-Finance does reconcile the Grant Account every time a WA is prepared, based on the Peachtree general ledger records and the bank account statement. The Mission was told that a consultant hired by MAFF-PSU is in the process of finalizing the design of the bank transactions journal to be used starting in Sep 2013.
52. **Procurement** is *moderately unsatisfactory*. The procurement activities in the MAFF-PSU followed the PIM and the Government's SOP (Standard Operating Procedures) that apply to externally funded projects. However at the PSU level, procurement of key service provider contracts following the 2012 Supervision Mission was heavily delayed with significant negative impacts on project delivery.
53. The mission reviewed the procurement process in the 3 provinces, including the procurement plan for 2013. The provincial procurement process is marked by the following weaknesses:

- (a) Although the procurement plan sets clear schedule for the successive steps of procurement, there was no advance preparation of procurement – the practice is to initiate activities only if there sufficient balance in the project account.
 - (b) Still there is inconsistency in the formation of the procurement committees between the provinces; such inconsistency is the result of the existence of different procurement systems and rules: indeed, the Provincial Administrations are supposed to follow the NCDD Manual prescriptions when managing activities falling under IP3 framework, while at the same time complying, to the most extent feasible, with RULIP PIM requirements. PreahVihear has set up one Procurement Committee to deal with all IP3 activities (including RULIP); the committee is chaired by the Provincial Governor and includes 10 full members (including heads of PDA, PDoWA and Water Resources Department) and 4 observers (including RULIP PPMA). In Ratanakiri and Kratie, the PA has established two ‘sectoral’ procurement committees for RULIP: one for PDA activities and one for PDoWA activities – both committees are chaired by the respective Department Director.
 - (c) The Mission did a check of a sample of 2013 procurement activities and found that actual implementation was delayed by 2-3 months compared to the initial plan, mainly because the approval of the AWPB and/or transfer of funds from MAFF-PSU were delayed.
 - (d) RULIP provinces do not maintain a register of quotations to record offers submitted by suppliers or contractors. With this lack of information, it is not possible to ascertain that the quotations were received within the established deadline – a situation that may lead to complaints and potential conflict with suppliers/contractors.
 - (e) The Mission found that PDA and PDoWA maintain a Register of Contracts, but the PA does not maintain a consolidated Register for the whole province (IP3) as required in the Project PIM; the same finding applies to MAFF-PSU which does not maintain a consolidated Register of all RULIP project contracts. Also, the Mission noted that the format of the Register needs to be improved to track the contract execution/delivery and the payment dates.
- 54. Audit is *moderately unsatisfactory*.** The audit of the project was conducted by an auditing firm appointed by the MAFF PSU, and in accordance to the Cambodian International Standards on Auditing. The audit report for the financial year 2012 was delivered to MAFF-PSU on 20 May 2013, and sent to IFAD immediately after. The audit report includes;
- (a) The audited financial statements of the project i.e. certification of the project accounts as reflected in the end-year financial statements, and
 - (b) The Management Letter that highlights some internal control issues that the auditors came across during their review of the project accounts, under three headings: Finance (10 recommendations), Asset Management (2 recommendations), and Management, Monitoring and Evaluation (9 recommendations). The details of 2012 audit’s recommendations as well as those raised by previous years audit are shown in Appendix 8 of the Aide-Memoire.
- 55.** The Supervision Mission noted that the output of the audit (audit report and management letter) did fall short of meeting all the requirements of the ToRs; in particular:
- (a) The audit report does not clearly state that “the financial statements present fairly the financial position and transactions of RULIP”; instead the report asserts that “the financial statements of the project are prepared in accordance with the accounting policies”.
 - (b) The audit report does not include a clear opinion on the use of the Statement of Expenditures (SOE);
 - (c) The audit report and the management letter do not include an assessment of the project’s internal control system to evaluate the effectiveness of the system in (i) providing the project management with useful and timely information for the proper management of activities; (ii) protecting the assets and resources of the project; and (iii) ensuring compliance with laws, regulations and funding agreement.

Agreed action	Responsibility	Agreed date
Provide guidance to MAFF-PSU Finance Officers and provincial	RULIP senior	Oct 2013

Agreed action	Responsibility	Agreed date
level Finance Officers and IP3 Finance Advisors on (i) the enforcement of the internal control procedures and safeguards imbedded in the PIM, (ii) the follow up on the external audit and supervision missions' recommendations, and (iii) financial data analysis.	management	
All RULIP finance officers should use the "Advance Monitoring Register", to record the details of advance disbursement date, planned implementing schedule of activities and deadline for advance clearance, and ensure, before the expiry of the deadline, that a reminder is sent to the concerned advance receiver for submission of liquidation documents.	MAFF-PSU and PA	Sep 2013
Training and guidance should be provided to district level project staff on how to handle cash advances received from their respective supervising provincial Departments, especially in respect of the quality of supporting documents and timely reporting on executed expenditures.	PA (IP3), PDA and PDoWA	Sep 2013
Maintain Grant Bank Account journal (Cash Book) and perform a monthly reconciliation of the grant bank account.	MAFF-PSU	Sep 2013
Conduct a review of the Project internal control system for the purpose of (i) addressing the most pressing areas of fiduciary risks, and (ii) draw lessons that can inform the design of future IFAD supported projects in Cambodia.	MAFF-PSU	Oct-Nov 2013
Ensure that a comprehensive, genuine physical count of the project assets is conducted at least once a year by the provincial administrations (IP3).	MAFF-PSU	Dec 2013
All Project Offices have to maintain a record of physical count of assets with the signature of the verifier; in case of any missing, damaged or displaced asset must be investigated and the NID records updated accordingly if any.	MAFF-PSU, PA (IP3)	Oct 2013
Ensure that all Project Offices maintain a register of assets under their custody showing the following information: type, NID code number, location, signature of the recipient/user of the asset	MAFF-PSU, PA (IP3)	Oct 2013
MAFF-PSU should maintain consolidated Assets Records of the Project.	MAFF-PSU	Nov 2013
All the project Administrative Officers (at national and sub-national level) must comply with the requirements of the PIM in respect of the management of the stationary and similar consumable assets	MAFF-PSU, PA (IP3)	Oct 2013
MAFF-PSU Procurement Officer should monitor the procurement activities of the provinces to ensure that the established plan is complied with, and report to RULIP senior management with recommended remedies in case of unreasonable delay or flaws in the procurement.	MAFF-PSU	Continuous
All RULIP implementing agencies must maintain a Register of Quotations as per the recommended format.	MAFF-PSU, PA IP3, PDA PDWA	Sep 2013
PA (IP3) should maintain consolidated, updated Register of Contracts for all provincial level RULIP activities; and MAFF-PSU should do the same for all RULIP activities;	MAFF-PSU, PA (IP3), PDA, PDoWA	Oct 2013
Additional basic training and/or coaching on procurement and contract management should be provided to all provincial level administrative Officers of line departments.	MAFF-PSU	Oct 2013
Future external audits should address all the tasks and requirements of the audit terms of reference.	MAFF-PSU	Mar-April 2014
Determine the cumulative amount of tax exemptions awarded to the project and credit it to the obligations of RGC under the project financing agreement (counterpart fund)	MAFF-PSU	Oct 2013
Establish monthly Cash Flow Planning (Forecast) at national and provincial level (to be updated on monthly basis)	MAFF-PSU, Provinces	Sep 2013

F. Sustainability

56. **Institutional Sustainability** is *moderately unsatisfactory* primarily due to the still limited progress towards genuine self-standing sustainability of many GRF groups. While good capital growth in many groups indicates a strong commitment from group members, this is not mirrored in the capacity of the groups to manage themselves and operate without ongoing external support. Delayed central procurement of the key service provider to support GRF group strengthening has further increased the problem with the limited time remaining in the project. Addressing this issue should be a primary focus for the remaining project period.
57. Beyond the GRF groups, the institutional sustainability of service delivery is likely to be greatest among the animal health services now being supported. However, the institutional sustainability of the farmer training activities is less clear, especially due to the sustainability of funding arrangements for such services after the project. These lessons have already been learnt and the forthcoming PADEE project will specifically address issues of sustainable, good quality extension and support services to farmers.
58. **Empowerment and Social Sustainability** is *satisfactory* with evidence of much improved farmer participation in decision making within the project - especially through demand driven farm training - as well as active commitment of members of many GRF groups to their continuation and future plans beyond the project.
59. **Economic and Financial Sustainability** of the GRF groups is *satisfactory* for a majority of groups with good capital growth (net of bad debts), notwithstanding the failures already mentioned in three districts in Ratanakiri. Similarly, at the household level the financial sustainability of the improved production practices appears strong in most cases. However at the institutional level project activities are unlikely to be financially sustainable with current government funding levels outside of the project.
60. **Technical Sustainability** is *moderately satisfactory* and has benefited from the more demand responsive approach to farmer training enabling a focus on technologies and crops that are more suitable and relevant to farmers requesting support and hence more likely to be adopted.
61. **Environmental Sustainability** is *moderately satisfactory*. Production technologies being promoted by the project (e.g. SRI, small scale poultry raising) are appropriate to the local environment and farming conditions. In addition the project is supporting increased diversification of production beyond rice (e.g. vegetables, poultry, cassava) and appropriate use of inputs. Collectively these measures provide for a reasonable likelihood of moderate improvements in environmental sustainability.
62. **Exit Strategy** is *moderately satisfactory* and the strategy for the project is now primarily focused on increasing the genuine sustainability of the GRF groups through individually tailored group sustainability road maps for every group. A second priority is the continued follow-up during the remaining period with farmers already trained on improved production practices in order to further raise understanding and adoption rates. To compliment these activities, on livestock there will be specific actions to strengthen the capacity and sustainability of the village animal health worker networks in project areas.
63. **Agreed actions** on sustainability are already covered under Section B above.

G. Other (impacts)

64. Achievement of impacts has improved to *moderately unsatisfactory*, but there is still a great deal to do to secure lasting impacts from the projects in the four main impact areas.
65. **Farming practices.** The improved quality, consistency and demand-responsiveness of farm training throughout the project appears to be leading to higher adoption rates of improved production technologies among farmers, based on initial evidence from the early rounds of the PIA. With well-targeted follow-up support in 2014 to previously trained farmers, there is a good likelihood of the project delivering lasting impacts on farming practices and household incomes for large numbers of farmers.
66. **Livestock** development and services are now being supported in response to specific demand from farmers through an improved approach, based around VAHWs. While it is too early to comment on specific evidence of impacts, this enhanced and more responsive approach should substantially increase the adoption of

improved livestock production practices by households as well as the institutional sustainability of critical animal health service in the villages.

67. **Nutrition** behaviour changes are a gradual process that can take many years to become widespread. The project is now promoting such changes through “social marketing” activities, mother-to-mother programmes as well as technical training and support to home gardens. Many of these approaches are deliberately innovative in recognition of the limited effectiveness of more traditional approaches. The sustainability of both the behavioural changes and also the social institutions (e.g. mother-to-mother networks) that support the wider shift in behaviours will only become evident over time. Notwithstanding this, the early signs of enthusiasm and engagement among mothers in the early activities is very encouraging and a step change over the previous more conventional training and awareness raising efforts.
68. **Group revolving fund sustainability** at present remains *unsatisfactory* despite this being the second main area for impact. In contrast to the progress on sustainability in the other areas, there has been little improvement in the sustainability of the many GRF groups in the last 12 months. By the assessment of VADDHANAK, only around 6% of groups are already capable of functioning without ongoing support (the definition of “mature” given in the logframe). Below this there is a middle block of 73% of groups which are active but still need varying degrees of support. This includes 42% who are active but need support and a further 31% who are moderately active but need even more support. The success of the project in raising the sustainability of this middle block of groups will determine the success of the savings and credit activities across the project. It is too early to comment if this will be achieved, especially given the very limited time remaining.

H. Conclusion

69. Project performance has improved to *moderately satisfactory* in the last year and there is now a strong momentum across key areas including farmer training, livestock and nutrition supported by much improved management systems and practices at all levels in the project. The turnaround in performance is particularly notable in Ratanakiri due to the actions taken by the project leadership and the positive response from the team in Ratanakiri.
70. The stronger performance over the last year and the momentum that has been generated have put RULIP back on track. There is now an increased likelihood of achieving lasting impacts for large numbers of poor families through the farmer training, livestock support and nutrition if the current level and quality of activities can be sustained to the end of the project.
71. In contrast, the sustainability of the group revolving funds remains a concern. Only a small number of groups are already able to operate without ongoing external support (6%) and there is limited time to implement appropriate sustainability roadmaps for each group. Without achieving significant progress on group sustainability the clear benefits felt by many poor families from being part of these savings and credit groups will be lost. Tackling this issue is therefore the highest priority for the project in the remaining 12 months.
72. At the same time, the project must begin preparation for project completion. There is still a significant level of work required to convert the extensive data from the PIA and case studies into usable formats that can be analysed. Similarly, the process of the RIMS Plus survey and analysis as well as the stakeholder workshops in project areas will also be time consuming. Preparation must therefore begin immediately on the agreed project completion action plan, including procurement of external support for key tasks.
73. With sustained effort from the project team over the next 12 months, and ongoing support from IFAD, there are now good prospects for achieving satisfactory outcomes from the project. The findings of the supervision mission were presented at the wrap-up meeting on 6 Sep 2013, chaired by Mr Pen Vuth, Deputy Director of the General Department of Agriculture of MAFF, and IFAD and the Royal Government of Cambodia endorse the findings and recommendations.

Appendix 1: Summary of project status and ratings

Project 1350 [8005 , 862] Rural Livelihoods Improvement Project in Kratie, PreahVihear and Ratanakiri - 2013-06

Basic Facts

Country	Cambodia			Project ID	1350	Loan/DSF Grant No.	8005 , 862
Project	Rural Livelihoods Improvement Project in Kratie, PreahVihear and Ratanakiri					Top-up Loan/DSF Grant	8005
Date of Update	06-Sep-2013						
Supervising Inst.	IFAD/IFAD						
No. of Supervisions	4	No. of Implementation Support/Follow-up missions	6				
Last Supervision	06-Sept-2013	Last Implementation Support/Follow-up mission	17-Jun-2013				

					USD million	Disb. rate %
Approval	18-Apr-2007			Total financing	14.30	79.3
Agreement	28-May-2007	Effectiveness lag	4.5	IFAD Total	12.30	78.1
Entry into force	31-Aug-2007	PAR value	Not at risk	IFAD loan	1.25	0.0
First disbursement	19-Oct-2007			DSF grant	11.05	87.0
MTR	21-Jul-2011	Last amendment	15-Dec-2011	IFAD grant		
Original completion	30-Sep-2014	Last audit	27-Feb-2013	Domestic Total	0.71	61.5
Current completion	30-Sep-2014			Government (National)	0.71	61.5
Original closing	31-Mar-2015			External Cofinancing Total	1.29	
Current closing	31-Mar-2015			UNDP	1.29	100
No. of extensions	0					

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	4	2. Performance of M&E	4	4

3. Counterpart funds	3	4	3. Coherence between AWPB & implementation	4	4
4. Compliance with financing covenants	5	5	4. Gender focus	5	5
5. Compliance with procurement	4	3	5. Poverty focus	5	5
6. Quality and timeliness of audits	4	3	6. Effectiveness of targeting approach	5	5
			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. D&D Support in Agriculture	3	4	1. Institution building (organizations, etc.)	4	3
2. Livelihoods	4	4	2. Empowerment	4	5
			3. Quality of beneficiary participation	5	5
			4. Responsiveness of service providers	4	5
			5. Exit strategy (readiness and quality)	4	4
			6. Potential for scaling up and replication	4	4

B.5 Justification of ratings

Since the 2012 SM, the project has made significant improvements in project management, especially at the sub-national level and has substantively addressed previous problems of inconsistent management quality across the three provinces, all of which are now performing. However there remain some weaknesses in project management, especially at the national (PSU) level. Procurement has improved at the sub-national level but with major delays in national procurement of the external service providers which have negatively impacted delivery. M&E has continued to improve with the roll-out of the Participatory Impact Assessment system across the project. Similarly, beneficiary participation and service provider responsiveness have also continued to improve with the implementation of the new farmer-driven selection and planning of training activities. The project has also implemented measure to improve the quality of service delivery through the set-up of an internal supervision system for farmer training and the engagement of several specialist external service providers to strengthen delivery capacity in farmer training, community organisation development as well as nutrition. Activities on nutrition have been well targeted and responding to important priorities of women.

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

The project management and leadership have taken a series of steps to address the critical weaknesses in management and delivery at sub-national and nation level identified in the Oct 2012 Supervision Mission. Delivery of the agreed actions and refinement of action plans has been closely monitored and supported by the MAFF leadership as well as by IFAD through the series of implementation support missions from Dec 2012 to Jun 2013. A more effective farmer training season in 2013 is now underway. Concerns still exist on the sustainability of a majority of community organisations with group revolving funds and this will need to be a priority focus areas for 2014. Given the arrangements now in places and momentum across the project, there is an increased likelihood that the project will mostly meet its main performance targets concerning savings and credit capital growth and having an improved impact on farmer incomes and livelihoods although may still be somewhat below its targets. The *sustainability* of the savings and credit groups is now the biggest remaining risk to the project substantially meeting its development objectives.

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

Fiduciary aspects	Internal cash flow management continues to be inefficient creating considerable risks to cash shortages and disruption to field activities. IP3 staff at provincial level should provide additional training and support to project staff, especially in distracts on how to more effectively manage cash related issues e.g. timely clearing of advances, Procurement at central level of service provider contracts has been a persistent disruption to the project. Several central procurements of service providers are needed for 2014 for project completion. Advance actions on procurement of these contracts are needed if the PCR is to be completed on time and to an acceptable quality.
Project implementation progress	Two main risks are: 1. A shortage of project management capacity at the PSU may impair delivery by the provincial teams without adequate close follow-up through-out the remaining period of the project. 2. A shortage of senior M&E capacity in the project coming in to the final year and PCR process mean that the project will have to contract in additional specialist expertise, especially related to impact data collection and analysis
Outputs and outcomes	1. Shortage of time to implement individual group sustainability roadmaps for the large number of GRF groups not yet sustainable. The PST/DST team will need to divert significant resources to this as soon as the current farmer training season is complete. using more consistent support process and also internal supervision of support activities. 2. Follow-up of previously trained farmers is needed to secure increased adoption of improved production technologies. Little progress has been made on this so far and so will need to be address in 2014, but there may be conflicting demands on staff time given the need for intensive GRF group support.
Sustainability	The main risk to sustainability of impacts is now the sustainability of the GRF groups. There are more than 300 groups which are active and with capital growth but are not yet sustainable without external support. The PST/DST team will need to mobilize significant time in support of each group over the remaining 12 months to implement an individually tailored sustainability roadmap. In addition the PSU should also support the re-deployment of VADDHANAK in support of this exercise within the available budget. Close monitoring and internal supervision of the GRF support activities is also needed to ensure consistent good quality support.

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Farmer training	Strengthen process and quality of supervision by PST/DST with an emphasis on coaching of IPM trainers, especially in Kratie	PDAs, especially Kratie	9 Sep 2013 onward
Farmer training	Complete targeted follow-up and refresher training for all farmers previously trained by the project (LIG, MVF, FSI) subject to demand & available budget	PDA	From Jan 2014
Farmer training	Offer additional FFS or short courses on cassava for farmers trained in 2012 or FSIs, subject to demand & available budget	PDAs	Apr 2014
Farmer training	Strengthen coordination between PDA and AVSF as single team on livestock including clarifying roles, responsibilities and budget/planning of training and demonstrations	PSU, PDAs, AVSF senior management	30 Sep 2013
GRF sustainability	Credible individual group roadmaps need to be prepared with each group based on the real status of groups including true financial position giving priority to viable groups	PSU, PDA, VADDHANAK	31 Oct 2013
GRF sustainability	Transparent process to be designed for dealing with bad debt within continuing groups and resolution of failed groups then implemented for all groups.	PSU, PDA, VADDHANAK	Process by 31 Oct 2013 Full roll-out completed by 30 Apr 2014
GRF sustainability	"Best practice" Agricultural Cooperative conversion and capacity building process to be designed in detail, including resource requirements (people, costs), via sole sourcing of a consultant if needed	PSU, PDA, VADDHANAK	15 Oct 2013
GRF sustainability	Implementation of roadmaps with all viable groups to begin ASAP with appropriate coaching/capacity building and quality monitoring of the support process	PSU, PDA, VADDHANAK	31 Dec 2013 latest start for all groups

Nutrition	PIA-based monitoring to be extended to cover nutrition activities	MoWA / PDoWA	31 Oct 2013
Nutrition	PDoWA and DST to be encouraged to try innovative approaches to social marketing on child nutrition until end 2013 and then most effective approaches (based on evidence of impacts) scaled up in 2014	MoWA / PDoWA	31 Dec 2013
M&E: PIA	Continue to collect PIA data for all trained households for each production cycle, including for crops and livestock producers	PDAs	30 Sep 2013 onward
Project completion	Begin immediate implementation of agreed project completion plan (see Annex) including the advance procurement before the 2014 AWPB is approved based on the projects estimation of the packages for completion of: a) the PIA database/analysis and associated tasks, and b) RIMS Plus survey and analysis and associated tasks	PSU	30 Sep 2013 onward
Project completion: Impact data - PIA	Complete database design, data cleaning, data entry and analysis. To be contracted out to an experienced firm/organisation if possible. Procurement process to begin immediately, using advanced estimation prior to AWPB 2014 approval	PSU	Contract signed by 31 Jan 2014 Analysis report by 30 Apr 2014
Project completion: Impact data -RIMS	Contract out RIMS Plus end-line survey design, data collection and analysis to an experienced firm/organisation (as in PADEE). Procurement process to begin immediately, using advanced estimation prior to AWPB 2014 approval.	PSU	Contract signed by 31 Jan 2014
Additional observations			

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

Narrative Summary	Verifiable Indicators	Actual Cumulative Performance	Means of Verification	Assumptions
<p>Project Goal: livelihoods of the rural poor in the targeted communes of the three provinces improved.</p>	<ol style="list-style-type: none"> Percentage of households that have increased the value of their “basket” of household assets by at least 25%* for participating households (disaggregated by gender and ethnicity of household head) Percentage decrease in chronic malnutrition rates (height for age) for children under 5 years for participating households, (disaggregated by gender and ethnicity of child) 14,800 rural poor, ethnic minority, and female-headed households in targeted villages of Ratanakiri, PreahVihear and Kratie provinces directly benefit from the project (disaggregated by gender and ethnicity of household head) <p>Note: Other malnutrition measures (weight for age and height for age) will also be collected and determined from the RIMS survey data. However, to avoid ambiguity and focus on long term malnutrition the “height for age” measure has been chosen as the primary indicators for measuring child malnutrition</p>	<ol style="list-style-type: none"> Data not yet available Data not yet available 14,898 hh benefited from the project... 	<ul style="list-style-type: none"> RIMS Plus household impact assessment surveys (Project Completion). <p>Semi-annual report from the 3 provinces</p>	Overall socio-economic conditions remain stable, with no major shocks, disruptions or natural disasters
<p>Project Purpose: Sustainable impact on agricultural development achieved in the targeted communes in the three provinces.</p>	<ol style="list-style-type: none"> 10,350 households* (1500 women-headed) reporting an increase of more than 10% productivity (yield per unit input of [land/labour/money]) for key crops of household <u>and/or</u> increase in flock/herd size** Average increase in crop productivity for key crops for participating farmers (FSI/LIG/MVF members) Average increase in household flock/herd size of livestock for participating farmers (FSI/LIG/MVF members) (above indicators to be disaggregated by gender and ethnicity of household head) <p>* Assumes 70% of group members</p>	<ol style="list-style-type: none"> 3199 hh 20% 22% 	<ul style="list-style-type: none"> PIA for FFS Annual Outcome Survey <p>Note: Data is based on 2012 trainees only. Data excludes current 2013 trainees and FSI households trained before MTR as data for these not yet available.</p>	No large scale disruption to crop/livestock from major disease / drought / flooding etc.

[illegible]

Narrative Summary	Verifiable Indicators	Actual Cumulative Performance	Means of Verification	Assumptions
	<p>selection & storage; improved soil preparation; erosion control measures; improved harvesting practices; improved post-harvest handling and storage.</p> <p>*** using improved criteria assessing likelihood of sustainability of group after project support.</p> <p>Note: changes in productivity, flock/herd size and profitability are already covered above.</p>			
<p>Sub-Component A2: Farming system improvement group (FSI) The objective is to promote the formation of sustainable Farming System Improvement Groups (FSI) with the objective that farmers and communities adopt improved and sustainable farming and agricultural land management systems.</p>	<p>11. 3800 farmer households (70% of total FSI members) adopting 3 or more improved technology components** for improved technologies for crops or livestock promoted by the project for at least 2 production seasons after training is completed (disaggregated by gender and ethnicity of household head)</p>	<p>11. Data not yet available</p>	<ul style="list-style-type: none"> Annual Outcome Survey RIMS Plus household impact assessment surveys (MTR and Project Completion). 	As above
<p>Sub-Component A3: Complementary Support Programmes: The objective is to support and strengthen the capacities of Commune Planning staff and various service providers (including Village Animal Health Workers and Village Extension Workers) that help farmers increase their agricultural expertise and outputs.</p>	<p><u>Agricultural extension services:</u></p> <p>12. Number of farmers accessing agriculture extension services, by gender (LIG,MVF, FSI) (disaggregated by gender and ethnicity of individual respondent)</p> <p>13. 85% farmers reporting satisfaction with the agriculture extension services provided (disaggregated by gender and ethnicity of individual respondent)</p> <p><u>Animal health services:</u></p> <p>14. Number of farmers regularly using animal health services, (LIG,FSI,CSP,LAW) (disaggregated by gender and ethnicity of individual respondent)</p> <p>15. 85% farmers reporting satisfaction with the animal health services provided (disaggregated by gender and ethnicity of individual respondent)</p> <p>16. District VAHW Associations in 50% of project Districts assessed as “mature” and financially sustainable.</p>	<p>12. 14,898 hh (3450 women)</p> <p>13. 93%</p> <p>14. 67% = 9981hh</p> <p>15. 50%</p>	<p><u>Ag extension services:</u></p> <ul style="list-style-type: none"> RIMS Plus household impact assessment surveys (pre-MTR) Progress report <p><u>Animal health services:</u></p> <ul style="list-style-type: none"> Annual Outcome Survey RIMS Plus household impact assessment surveys (pre-MTR) RIMS Plus household impact assessment surveys (MTR and Project Completion) VAHW records Six-monthly capacity assessment report 	<p>A majority of commune councils are supportive of conducting annual social audits of project activities and other public investments in the villages.</p>

Narrative Summary	Verifiable Indicators	Actual Cumulative Performance	Means of Verification	Assumptions
	<p>17. Number of households regularly paying for fee based vaccination of poultry (disaggregated by gender and ethnicity of household head)</p> <p><u>Commune councils:</u></p> <p>18. Commune councils carry out annual social audit/public hearing on group revolving fund activities, farmer training and other support activities to farmers</p>	<p>16. n.a</p> <p>17. n.a. (but low)</p> <p>18. not yet</p>	<p>on VAHW Associations</p> <ul style="list-style-type: none"> VAHW records <p><u>Commune councils:</u></p> <ul style="list-style-type: none"> DST Annual Report on each commune DST short report on each social audit 	
<p>Sub-Component A4: Law Awareness Raising : The objective is to conduct provincial and district workshop on law awareness related to agricultural materials , forestry and fishery for community members and government official.</p>	<p>19. 90% of participants are aware the laws relating to land, forestry , fisheries and agriculture.(during the workshop , pre-test , post test)</p> <p>(disaggregated by gender and ethnicity of individual respondent)</p>	<p>19. 96%</p>	<ul style="list-style-type: none"> RIMS Plus household impact assessment surveys (pre MTR) 	
<p>Sub-Component A5: Agriculture Support Service : To enable PDA, DOA staff, and CEWs in the project area assist farmers in an effective and participatory manner.</p>	<p><u>"Effective and participatory" services</u></p> <p>20. A majority of households from at least 80% of LIG/MVG groups confirm that FFS topic selection was farmer-driven and reflects their own demands and are appropriate to their resources and skill level.</p> <p>(disaggregated by gender and ethnicity of individual respondent)</p> <p>21. 85% of participants are satisfied / highly satisfied with quality/focus of FFS training (disaggregated by gender and ethnicity of individual respondent)</p> <p><u>Quality assurance processes</u></p> <p>22. DSTs conduct quality assurance visits to agreed schedule for <u>all</u> FFS and hold farmer group discussions to review all FFS at end of course.</p> <p>23. DSTs conduct quarterly follow-up discussions with all LIG/MVF groups at GRF monthly meetings to gain feedback and address issues in GRF.</p>	<p>20. meet 80%</p> <p>21. meet 80%</p> <p>22. 100% of 2013 FFS</p> <p>23. under process</p>	<p><u>Effective & participatory</u></p> <ul style="list-style-type: none"> PIA for FFS and Farmer Group Discussion with DST at end of FFS Annual Outcome Survey RIMS Plus household impact surveys Progress report <p><u>Quality assurance</u></p> <ul style="list-style-type: none"> DST short report on each social visit and FFS attended. DST short report on each GRF meeting attended. 	<p>D&D agenda continues to be the basis for policy on decentralised service delivery</p>

Narrative Summary	Verifiable Indicators	Actual Cumulative Performance	Means of Verification	Assumptions
		..		
<p>Sub-Component A6 Gender in Agriculture: The objective is to mainstream gender in planning, training, implementation and monitoring at provincial , district, communes and village levels.</p>	<p><u>Leadership</u></p> <p>24. 30 % women leaders of LIG/MVF/FSI groups</p> <p><u>Domestic violence</u></p> <p>25. 80% of individual respondent report improved awareness of women's rights, issues of domestic violence and laws relating to these issues (disaggregated by gender and ethnicity of <i>individual respondent</i>)</p> <p><u>Technology transfer</u></p> <p>26. 75% of women from LIG/MVF households reporting that their priorities were equitably reflected in the final topics chosen for the FFS (disaggregated ethnicity of <i>individual respondent</i>)</p> <p>27. 70% of women-headed HH adopting 3 or more improved technology components for improved technologies for crops or livestock promoted by the project for at least 2 production seasons after training is completed (disaggregated by gender and ethnicity of <i>household head</i>)</p> <p>28. 25% of women headed HH from ethnic indigenous minorities reporting an increase in profit from farming. (disaggregated by gender and ethnicity of <i>household head</i>)</p> <p><u>Nutrition</u></p> <p>29. 70% of LIG/MVF /FSI group households had both men and women from the same household participating in 2 or more discussion/training session on nutrition – e.g. during FFS or monthly GRF meetings (disaggregated by gender and ethnicity of <i>individual respondent</i>)</p> <p>30. 60% of women report adopting improved nutrition practices (disaggregated by gender and ethnicity of <i>individual respondent</i>)</p>	<p>24. amongst 3 leader members one is women</p> <p>25. 93 %</p> <p>26. 85%</p> <p>27. n.a.</p> <p>28. n.a</p> <p>29. n.a</p>	<p><u>Leadership</u></p> <ul style="list-style-type: none"> Group records <p><u>Domestic violence</u></p> <ul style="list-style-type: none"> Annual outcome survey RIMS Plus household impact assessment surveys <p><u>Technology transfer</u></p> <ul style="list-style-type: none"> Annual outcome survey PIA for FFS and Farmer Group Discussion with DST at end of FFS RIMS Plus survey <p><u>Nutrition</u></p> <ul style="list-style-type: none"> Annual outcome survey PIA for FFS and Farmer Group Discussion with DST at end of FFS 	

Narrative Summary	Verifiable Indicators	Actual Cumulative Performance	Means of Verification	Assumptions
		30. n.a	<ul style="list-style-type: none"> DST short report on each GRF meeting attended. 	
Component B: Support for Decentralisation and De-concentration (D&D) in Agriculture. The objective is to increase the national capacity for pro-poor policy analysis and pro-poor policy formulation for the agricultural sector, and for mainstreaming gender within the sector, while improving the capacities of community members to influence this process.	See below		See below	
Sub-Component B1: Policy Analysis: Support stock-taking, discussions and dissemination of salient operational experiences and lessons learned in areas such as targeting of beneficiaries, group formation, training, service delivery and the GRF	31. No. of meetings and attendance of Policy Guidance and Technical Meetings 32. No. of practices/lessons from RuLIP incorporated in future project designs/policies by those attending Policy Guidance and Technical meetings at which RuLIP experiences are shared. 33. Number, quality and distribution of Knowledge management documents, presentations and dissemination materials prepared on lessons and experiences	31. 13 meetings 32. 6 lessons learnt 33. sharing through technical meeting and IFAD asiarulip web site	<ul style="list-style-type: none"> Minutes of meetings 6-month & Annual Report Knowledge products Feedback surveys from those participating in Policy Guidance or Technical Meetings and/or receiving knowledge products PCR 	MAFF and other government agencies are open to sharing experience and lesson learning from projects
Sub-Component B2: Studies and Reviews: establish M&E system within the Project to clearly refocus on managing the Project to achieve its target outcomes and impacts.	34. Project Results Chains regularly updated and used by PSU, PST and DSTs in all three province as a key management tool to guide project activities 35. Annual Outcome surveys implemented from 2012 onward and results used to guide subsequent project activities and management decisions	34. meet 35. meet	<ul style="list-style-type: none"> Annual reports Project Results Chains documentation and evidence of linkages to AWPBs Databases and reports for <ul style="list-style-type: none"> Annual Outcome Surveys and FFS PIA reports and 	

Narrative Summary	Verifiable Indicators	Actual Cumulative Performance	Means of Verification	Assumptions
	36. Farmer-led Participatory impact assessment implemented for all technical training to be delivered to LIGs/MVFs to measure the adoption rate and impacts of new technologies and good production practices	36. PIA analysis	database	

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

Action Area	Action Agreed	Date	Whom	Progress
Farmer training	Strengthen process and quality of supervision by PST/DST with an emphasis on coaching of IPM trainers, especially in Kratie	PDAs, especially Kratie	9 Sep 2013 onward	
Farmer training	Complete targeted follow-up and refresher training for all farmers previously trained by the project (LIG, MVF, FSI) subject to demand & available budget	PDA	From Jan 2014	
Farmer training	Offer additional FFS or short courses on cassava for farmers trained in 2012 or FSIs, subject to demand & available budget	PDAs	Apr 2014	
Farmer training Livestock	Strengthen coordination between PDA and AVSF as single team on livestock including clarifying roles, responsibilities and budget/planning of training and demonstrations	PSU, PDAs, AVSF senior management	30 Sep 2013	
GRF sustainability	Credible individual group roadmaps need to be prepared with each group based on the real status of groups including true financial position giving priority to viable groups	PSU, PDA, VADDHANA K	31 Oct 2013	
GRF sustainability	Transparent process to be designed for dealing with bad debt within continuing groups and resolution of failed groups then implemented for all groups.	PSU, PDA, VADDHANA K	Process by 31 Oct 2013 Full roll-out completed by 30 Apr 2014	
GRF sustainability	“Best practice” Agricultural Cooperative conversion and capacity building process to be designed in detail, including resource requirements (people, costs), via sole sourcing of a consultant if needed	PSU, PDA, VADDHANA K	15 Oct 2013	
GRF sustainability	Implementation of roadmaps with all viable groups to begin ASAP with appropriate coaching/capacity building and quality monitoring of the support process	PSU, PDA, VADDHANA K	31 Dec 2013 latest start for all groups	
Nutrition	PIA-based monitoring to be extended to cover nutrition activities	MoWA / PDoWA	31 Oct 2013	

Nutrition	PDOWA and DST to be encouraged to try innovative approaches to social marketing on child nutrition until end 2013 and then most effective approaches (based on evidence of impacts) scaled up in 2014	MoWA / PDOWA	31 Dec 2013	
M&E: PIA	Continue to collect PIA data for all trained households for each production cycle, including for crops and livestock producers	PDA's	30 Sep 2013 onward	
Project completion:	Begin immediate implementation of agreed project completion plan (see Annex) including the advance procurement before the 2014 AWPB is approved based on the projects estimation of the packages for completion of: a) the PIA database/analysis and associated tasks, and b) RIMS Plus survey and analysis and associated tasks	PSU	30 Sep 2013 onward	
Project completion: Impact data -PIA	Complete database design, data cleaning, data entry and analysis. To be contracted out to an experienced firm/organisation if possible. Procurement process to begin immediately, using advanced estimation prior to AWPB 2014 approval	PSU	Contract signed by 31 Jan 2014 Analysis report by 30 Apr 2014	
Project completion: Impact data -RIMS	Contract out RIMS Plus end-line survey design, data collection and analysis to an experienced firm/organisation (as in PADEE). Procurement process to begin immediately, using advanced estimation prior to AWPB 2014 approval.	PSU	Contract signed by 31 Jan 2014	
Management	AWPB 2014 to be completed and approved as early as possible, including credible projects for actual budget available in 2014	PSU	30 Nov 2013	
Management	AWPB 2014 including detailed staffing reduction plan month by month in line with expected actual workload at each level of the project as the project moves to completion	PSU	30 Nov 2013	
Management	Provincial contracts (among IP3/PDA/PDOWA) to be signed by end Dec 2013	IP3 / PDA / PDOWA / PSU	31 Dec 2013	
Management	Intensive mobilization to field of PST, DST and IPM trainers needs to be ensured from now to end of project including adjustments/reallocation of budgets	PSU / PST	08 Sep 2013	

	for DSAs, allowances, fuel and repair of motorbikes and vehicles in 2013 and 2014 in PSU and the 3 provinces as necessary			
Management	Budget reallocation in 2013: the project in MAFF PSU, Kratie, PreahVihear and Ratanakiri should review actual forecast expenditures in budget lines for 2013 and reallocate funds from under spent items to the activities and agreed actions from the Mission, for example to additional nutrition related items/activities, additional livestock demonstration and training or costs for mobilizing staff more intensively to the field	PSU, PDA in 3 provinces	30 Sep 2013	
M&E	Case studies approach to be extended to include case studies on other areas of project activities e.g. farmer training, GRF	PSU / PST /DST	01 Oct 2013 onwards	
	Project completion: Process to include PST/DST review of results chains and performance against implied intermediate change indicators	PSU / PST / DST	Mar 2014	
Fiduciary Aspects	Provide guidance to MAFF-PSU Finance Officers and provincial level Finance Officers and IP3 Finance Advisors on (i) the enforcement of the internal control procedures and safeguards imbedded in the PIM, (ii) the follow up on the external audit and supervision missions' recommendations, and (iii) financial data analysis.	RULIP senior management	Oct 2013	
Fiduciary Aspects	<u>All</u> RULIP finance officers should use the "Advance Monitoring Register", to record the details of advance disbursement date, planned implementing schedule of activities and deadline for advance clearance, and ensure, before the expiry of the deadline, that a reminder is sent to the concerned advance receiver for submission of liquidation documents.	MAFF-PSU and PA	Sep 2013	
Fiduciary Aspects	Training and guidance should be provided to district level project staff on how to handle cash advances received from their respective supervising provincial Departments, especially in respect of the quality of supporting documents and timely reporting on executed expenditures.	PA (IP3), PDA and PDoWA	Sep 2013	

Fiduciary Aspects	Maintain Grant Bank Account journal (Cash Book) and perform a monthly reconciliation of the grant bank account.	MAFF-PSU	Sep 2013	
Fiduciary Aspects	Conduct a review of the Project internal control system for the purpose of (i) addressing the most pressing areas of fiduciary risks, and (ii) draw lessons that can inform the design of future IFAD supported projects in Cambodia.	MAFF-PSU	Oct-Nov 2013	
Fiduciary Aspects	Ensure that a comprehensive, genuine physical count of the project assets is conducted at least once a year by the provincial administrations (IP3).	MAFF-PSU	Dec 2013	
Fiduciary Aspects	All Project Offices have to maintain a record of physical count of assets with the signature of the verifier; in case of any missing, damaged or displaced asset must be investigated and the NID records updated accordingly if any.	MAFF-PSU, PA (IP3)	Oct 2013	
Fiduciary Aspects	Ensure that all Project Offices maintain a register of assets under their custody showing the following information: type, NID code number, location, signature of the recipient/user of the asset	MAFF-PSU, PA (IP3)	Oct 2013	
Fiduciary Aspects	MAFF-PSU should maintain consolidated Assets Records of the Project.	MAFF-PSU	Nov 2013	
Fiduciary Aspects	All the project Administrative Officers (at national and sub-national level) must comply with the requirements of the PIM in respect of the management of the stationary and similar consumable assets	MAFF-PSU, PA (IP3)	Oct 2013	
Fiduciary Aspects	MAFF-PSU Procurement Officer should monitor the procurement activities of the provinces to ensure that the established plan is complied with, and report to RULIP senior management with recommended remedies in case of unreasonable delay or flaws in the procurement.	MAFF-PSU	Continuous	
Fiduciary Aspects	All RULIP implementing agencies must maintain a Register of Quotations as per the recommended format.	MAFF-PSU, PA (IP3), PDA, PDoWA	Sep 2013	
Fiduciary Aspects	PA (IP3) should maintain consolidated, updated	MAFF-PSU,	Oct 2013	

	Register of Contracts for all provincial level RULIP activities; and MAFF-PSU should do the same for all RULIP activities;	PA (IP3), PDA, PDoWA		
Fiduciary Aspects	Additional basic training and/or coaching on procurement and contract management should be provided to all provincial level administrative Officers of line departments.	MAFF-PSU	Oct 2013	
Fiduciary Aspects	Future external audits should address all the tasks and requirements of the audit terms of reference.	MAFF-PSU	Mar-April 2014	
Fiduciary Aspects	Determine the cumulative amount of tax exemptions awarded to the project and credit it to the obligations of RGC under the project financing agreement (counterpart fund)	MAFF-PSU	Oct 2013	
Fiduciary Aspects	Establish monthly Cash Flow Planning (Forecast) at national and provincial level (to be updated on monthly basis)	MAFF-PSU, Provinces	Sep 2013	

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

Component /		Period: 01-Jan-13 to 30-Jun-13						
Sub-component	Indicator	Unit	AWPB	Actual	%	Cumulative actual	Appraisal target	%
Comp. 1: Livelihoods Improvement								
Livelihood Improvement Group (LIG) & Most Vulnerable Family Groups								
	Farmer households adopting 3 or more improved technology components** for improved technologies for crops or livestock promoted by the project for at least 2 production seasons after training is completed (disaggregated by gender and ethnicity of household head)	Farmers				4,545	6,500	70%
	LIGs/MVFs formed with GRF are evaluated as “mature” (i.e. likely to be sustainable) by end of project***	Group				211	284	74%
	Total value of lending capital within the GRF has increased by more than 25% above initial grant/in-kind contribution from the project.	Group				11%	25%	44%
	Establish Agriculture Cooperative	AC	17	17	100%	25		
	Support existing Agriculture Cooperative	AC	8	8	100%			
	FFS	School	209	195	93%			
	Demonstration	Demo	216	277	128%			
	Farmer field days	Demo	168	168	100%			
	Refresher 2012 FFS farmer	School	197	0	0%			
	Farmer to farmer field visit	Group	194	0	0%			
	Back up support from IPM	Training	5	5	100%			
	Improve livestock health and production	Contract	100%	0	0%			
	Support FFS on Cassava	Training	2	2	100%			
	Strengthen GRF	Contract	100%	0	0%			
Farming system improvement group (FSI)								
	Farmer households (70% of total FSI members) adopting 3 or more improved technology components** for improved technologies for crops or livestock promoted by the project for at least 2 production seasons after training is completed	Farmers				35%	70%	50%
Complementary Support Programmes								
	Number of farmers accessing agriculture extension services, (LIG,MVF,	Farmers				14,898	14,800	101%

Component /			Period: 01-Jan-13 to 30-Jun-13						
Sub-component	Indicator	Unit	AWPB	Actual	%	Cumulative actual	Appraisal target	%	
	FSI)								
	Farmers reporting satisfaction with the agriculture extension services provided	Farmers				93%	85%	109%	
	Number of farmers regularly using animal health services, (LIG,FSI,CSP,LAW)	Farmers				77%	100%	77%	
	Farmers reporting satisfaction with the animal health services provided	Farmers				50%	85%	59%	
	District VAHW Associations in project Districts assessed as “mature” and financially sustainable.	Association				1	3	33%	
	Number of households regularly paying for fee based vaccination of poultry	HH				0%	100%	0%	
	Commune councils carry out annual social audit/public hearing on group revolving fund activities, farmer training and other support activities to farmers	Commune	84	0	0%	0%	100%	0%	
	Commune Councils receive training on Social audit	Commune	84	84	100%				
	Law Awareness Raising								
	Participants are aware the laws relating to land, forestry, fisheries and agriculture.(during the workshop, pre-test, post test)	Participant				96%	100%	96%	
	Agriculture Support Service								
	A majority of households from LIG/MVG groups confirm that FFS topic selection was farmer-driven and reflects their own demands and are appropriate to their resources and skill level.	Farmers				95%	80%	119%	
	Participants are satisfied / highly satisfied with quality/focus of FFS training	Farmers				80%	85%	94%	
	DSTs conduct quality assurance visits to agreed schedule for all FFS and hold farmer group discussions to review all FFS at end of course.	Average number of Follow up per School				5	20	25%	
	DSTs conduct quarterly follow-up discussions with all LIG/MVF groups at GRF monthly meetings to gain feedback and address issues in GRF.	number of Follow up				100%	100%	100%	
	Gender in Agriculture								
	Women leaders of LIG/MVF/FSI groups	Group				15%	30%	48%	

Component /		Period: 01-Jan-13 to 30-Jun-13							
Sub-component	Indicator	Unit	AWPB	Actual	%	Cumulative actual	Appraisal target	%	
	Individual respondent report improved awareness of women's rights, issues of domestic violence and laws relating to these issues	Farmers				93%	80%	116%	
	Women from LIG/MVF households reporting that their priorities were equitably reflected in the final topics chosen for the FFS.	Farmers				95%	75%	127%	
	Women-headed HH adopting 3 or more improved technology components for improved technologies for crops or livestock promoted by the project for at least 2 production seasons after training is completed.	Farmers				No info.	70%		
	Women headed HH from ethnic indigenous minorities reporting an increase in profit from farming.	HH				No info.	25%		
	70% of LIG/MVF /FSI group households had both men and women from the same household participating in 2 or more discussion/training session on nutrition – e.g. during FFS or monthly GRF meetings.	Group				No info.	70%		
	60% of women report adopting improved nutrition practices.	Farmers				No info.	60%		
	Gender Impact Monitoring case study	Case study	192	80	42%	171			
	Reproduction of FAO nutrition material	Material	1	1	100%				
	Cooking competition	Commune	84	0	0%				
	Mother to mother home cooking promotion	Person	252	0	0%				
	High nutrition home garden	Garden	195	0	0%				
Comp 2. Support for Decentralisation and De-concentration (D&D) in Agriculture									
Policy Analysis									
	No. of meetings and attendance of Policy Guidance and Technical Meetings	No.	3	1	33%	13			
	No. of practices/lessons from RuLIP incorporated in future project designs/policies by those attending Policy Guidance and Technical meetings at which RuLIP experiences are shared.	No.				1			
	Number quality and distribution of Knowledge management documents, presentations and dissemination materials prepared on lessons and experiences	No.				6			
Studies and Reviews									

Component /		Period: 01-Jan-13 to 30-Jun-13							
Sub- component	Indicator	Unit	AWPB	Actua l	%	Cumulativ e actual	Appraisal target	%	
	Project Results Chains regularly updated and used by PSU, PST and DSTs in all three province as a key management tool to guide project activities	Updated Result Chains				1			
	Annual Outcome surveys implemented from 2012 onward and results used to guide subsequent project activities and management decisions	Survey				0			
	Farmer-led Participatory impact assessment implemented for all technical training to be delivered to LIGs/MVFs to measure the adoption rate and impacts of new technologies and good production practices	PIA	2	1	50%	1			

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

Table 5A: Financial performance by financier as at 31.07.2013 (in USD)

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD Grant	11,050,064	9,611,088	87.0%
Initial	9,800,064		
Additional	1,250,000		
IFAD Loan	1,250,000		0.0%
Total IFAD (Grant+ Loan)	12,300,064	9,611,088	78.1%
UNDP	1,289,910	1,289,910	100.0%
RGC (Counterpart Fund)	706,300	434,496	61.5%
Total	14,296,274	11,335,494	79.3%

Table 5B: Financial performance by financier by component as at 31.07.2013 (USD '000)

Component	IFAD Grant + Loan			UNDP			Government			Total		
	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%
A. Livelihoods Improvement												
1. Livelihood Improvement Group	2,606,280	2,289,220	87.8%				-	-		2,606,280	2,289,220	87.8%
2. Farming System Improvement	1,003,370	800,164	79.7%				-	-		1,003,370	800,164	79.7%
3. Complementary Support	616,940	928,670	150.5%	12,000	12,000	100%	5,070	-	0.0%	634,010	940,670	148.4%
4. Law Awareness	266,440	92,722	34.8%	257,400	257,400	100%	-	-		523,840	350,122	66.8%
5. Agriculture Support Services	3,838,840	3,867,905	100.8%				485,660	370,945	76.4%	4,324,500	4,238,850	98.0%
6. Gender Mainstreaming	717,430	424,531	59.2%				108,760	12,943	11.9%	826,190	437,474	53.0%
Sub total (Component A)	9,049,300	8,403,213	92.9%	269,400	269,400	100%	599,490	383,887	64.0%	9,918,190	9,056,500	91.3%
B. Support for D & D												
1. Support for Provincial Agriculture Investment Program	2,791,624	785,090	28.1%	660,000	660,000	100%	81,320	43,486	53.5%	3,532,944	1,488,576	42.1%
2. Support for Policy Analysis	287,400	291,769	101.5%	360,510	360,510	100%	10,500	3,006	28.6%	658,410	655,285	99.5%
3. Support for Gender Mainstreaming in Agriculture	171,740	131,016	76.3%				14,990	4,117	27.5%	186,730	135,133	72.4%
Sub total (Component B)	3,250,764	1,207,875	37.2%	1,020,510	1,020,510	100%	106,810	50,609	47.4%	4,378,084	2,278,994	52.1%
Grand Total	12,300,064	9,611,088	78.1%	1,289,910	1,289,910	100%	706,300	434,496	61.5%	14,296,274	11,335,494	79.3%

Table 5C: IFAD loan disbursements (SDR, as at 31.07.2013)

Category	Category	Original Allocation	Revised Allocation (Feb 2012)	Disbursement as of 31 July 2013	Available balance (4-5)	% disbursed	W/A pending for disbursement (See table 3D-A)	Outstanding WA Claim (Jan-July 2013 expenditures) (See table 3D-B)	Total pending disbursement (8+9)	Actual disbursement as at 31/7/2013 (5+10)	Actual balance as at 31/7/2013 (4-11)	% after disbursement of pending WAs	Projected disbursement for August-Dec 2013	Total projected disbursement as at 31 Dec. 2013 (11+14)	Estimated balance as at 31/12/2013 (4-16)	% after disbursement of pending WAs and project expends
1	2	3	4	5	6	7	8	9	10	11	12	13	14	16	17	18
1	Vehicles	345,000	404,503	405,690	(1,186)	100.3%	-		-	405,690	(1,186)	100.3%	-	405,690	(1,186)	100.3%
2	Civil Works	150,000	254,251	227,308	26,944	89.4%	-		-	227,308	26,944	89.4%	3,649	230,957	23,295	90.8%
3	Materials	1,650,000	1,301,311	1,336,145	(34,835)	102.7%	-		-	1,336,145	(34,835)	102.7%	4,510	1,340,655	(39,345)	103.0%
4	Equipment	100,000	124,422	124,318	104	99.9%	-		-	124,318	104	99.9%	-	124,318	104	99.9%
5	Training	1,410,000	2,227,876	1,589,736	638,140	71.4%	52,675		52,675	1,642,412	585,465	73.7%	239,599	1,882,010	345,866	84.5%
6	Contracts & Studies	320,000	1,206,521	309,956	896,565	25.7%	27,997		27,997	337,954	868,568	28.0%	499,827	837,781	368,741	69.4%
7	Staff Allowances	1,050,000	1,552,786	1,369,076	183,710	88.2%	14,518		14,518	1,383,594	169,192	89.1%	83,947	1,467,540	85,246	94.5%
8	Incremental Operating Costs	745,000	778,811	583,038	195,773	74.9%	11,198		11,198	594,237	184,575	76.3%	52,246	646,482	132,329	83.0%
	Unallocated	630,000	249,517	-	249,517	0.0%			-	-	249,517	0.0%	-	-	249,517	0.0%
	Sub total	6,400,000	8,100,000	5,945,268	2,154,732	73.4%	106,389	0.00	106,389	6,051,657	2,048,343	74.7%	883,777	6,935,434	1,164,566	85.6%
	Initial Advance in Special Account			4,616	(4,616)											
	Total	6,400,000	8,100,000	5,949,884	2,150,116	73.46%	106,389		106,389	6,051,657	2,048,343	74.7%	883,777	6,935,434	1,164,566	85.6%

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

FINANCING		in USD.		Actual			Budget			Variance	
				Cumulative up to 2012	as of 30 July 2013	Cumulative as at 31.7.2013	Cumulative up to 2012	2013	Cumulative as at Dec.2013	1st half of 2013 with annual budget	Cumulative up to 2013
IFAD Grant											
	Initial Deposit			900,000	-	900,000					
	Replenishment			8,169,887	313,887	8,483,774					
	Direct Payments			713,800		713,800					
	Total financing IFAD Grant (i)			9,783,687	313,887	10,097,574					
	Government Funds (ii)			417,983	40,000	457,983					
	Co-financer (iii)					-					
	Total Financing (I+II+III) (A)			10,201,670	353,887	10,555,557					
PROJECT EXPENDITURES :											
Category IFAD Grant											
I	Vehicles			638,167	(252)	637,915	1,161,325	-	1,161,325	252	523,411
II	Civil Works			389,058	27,706	416,764	1,762,750	33,248	1,795,998		1,379,233
III	Materials			2,059,677	-	2,059,677	2,507,192	6,849	2,514,040	6,849	454,363
IV	Equipment			191,390	-	191,390	325,638	-	325,638	-	134,247
V	Training			2,454,602	73,987	2,528,589	4,210,399	582,077	4,792,477	508,090	2,263,887
VI	Contracts & Studies			392,581	270,276	662,856	755,301	1,064,433	1,819,734	794,157	1,156,878
VII	Staff Allowances			2,024,795	146,256	2,171,051	2,560,994	308,340	2,869,334	162,084	698,283
VIII	Incremental Operating Costs			865,368	77,476	942,845	1,016,053	167,277	1,183,330	89,801	240,486
	Total - IFAD & GoN	(B)		9,015,638	595,450	9,611,088	14,299,652	2,162,223	16,461,876	1,561,232	6,850,788
Government Counterpart Fund											
I	Vehicles			144,873	(108)	144,765	495,700	-	495,700	108	350,935
II	Civil Works			61,717	11,698	73,416	222,593	12,998	235,591	1,300	162,175
III	Materials			-	-	-	-	-	-	-	-
IV	Equipment			21,234	-	21,234	35,940	-	35,940	-	14,706
V	Training			-	-	-	-	-	-	-	-
VI	Contracts & Studies			7,393	2,815	10,208	22,116	10,116	32,232	7,301	22,024
VII	Staff Allowances			-	-	-	600	-	600	-	600
VIII	Incremental Operating Cost			172,454	12,419	184,873	255,602	42,775	298,377	30,356	113,504
	Total - Government (c)			407,672	26,824	434,496	1,032,551	65,889	1,098,440	39,065	663,944
	Total - Co-financers (D)			-	-	-	-	-	-	-	-
TOTAL PROJECT EXPENDITURE (B)+(C)+(D)=(E)				9,423,310	622,275	10,045,584	15,332,204	2,228,112	17,560,316	1,605,838	7,514,732
Financing less disbursements (A) - (E)						509,973					

Appendix 6: Compliance

with legal covenants: Status of implementation

Section	Covenant	Status
1.04.	<i>Obligations of the Recipient and the Project Parties.</i> The Recipient shall be fully responsible to the Fund for the due and timely performance of all obligations ascribed to it, the Lead Project Agency and all other Project Parties under this Agreement. To the extent any Project Party enjoys legal personality separate from the Recipient, any reference to an obligation of such Project Party in this Agreement shall be deemed an obligation of the Recipient to ensure that such Project Party performs such obligation. The acceptance by any Project Party of any obligation ascribed to it in this Agreement shall not affect the responsibilities and obligations of the Recipient hereunder.	Being complied with
1.05.	<i>Appointment of the Cooperating Institution.</i> The United Nations Office for Project Services (UNOPS) shall be appointed as the Cooperating Institution, with the responsibilities set forth in Article III of the General Conditions, to administer the Loan and supervise the Project in accordance with the Cooperation Agreement. The Recipient hereby agrees to such appointment.	Not applicable since 1 January 2008
2.01.	<i>The Grant.</i> The Fund agrees to extend a Grant to the Recipient in the principal amount of six million four hundred thousand Special Drawing Rights (SDR 6,400,000) for the purpose of financing the Project.	Being complied with
2.02.	<i>Grant Account and Withdrawals.</i> The Fund shall open a Grant Account in the name of the Recipient and credit the principal amount of the Grant thereto. The Recipient may request withdrawals from the Grant Account from time to time between the Effective Date and the Grant Closing Date in various currencies in respect of Eligible Expenditures and otherwise in accordance with Schedule 2 (Allocation and Withdrawal of Grant Proceeds) hereof.	Being complied with
2.03. (a)	<i>Grant Bank Account.</i> As soon as practicable after the date hereof, the Recipient shall open and thereafter maintain in the National Bank of Cambodia, or another bank proposed by the Recipient and accepted by the Fund, a Grant Bank Account denominated in US Dollars for the purpose of receiving Grant proceeds to finance the Project. The Grant Bank Account shall be protected against set-off, seizure or attachment on term and conditions proposed by the Recipient and accepted by the Fund. For purposes of this Agreement, the Grant Bank Account shall be regarded, mutatis mutandis, as a special account, as referred to in Section 4.08 of the General Conditions.	Being complied with: Grant Bank Account approved on September 14, 2007 from NBC.
2.03. (b)	As from the Effective Date, upon the Recipient's request and in accordance with the approved AWPB for the first Programme Year, the Fund shall make one or more withdrawals of up to USD 900,000 in the aggregate from the Grant Account on behalf of the Recipient, and deposit such amount in the Grant Bank Account. The Fund shall replenish the Grant Bank Account from time to time in accordance with the eligible expenditures of the approved AWPBs, as may be adjusted in accordance with the provisions of Section 3.02 (f) hereof, and following the Recipient's submission to the Fund of withdrawal applications or certified statements of expenditure. At the Project Completion Date and in any event no later than the Grant Closing Date, the Recipient shall submit to the Fund withdrawal applications or certified statements of expenditure with respect to the use of the totality of the withdrawals from the Grant Bank Account. The Recipient shall make payments out of or use the proceeds of the Grant Bank Account exclusively for Eligible Expenditures under the Project.	Being complied with:
2.03. (c)	The MEF shall operate the Grant Bank Account.	Partially complied with: Requests for replenishment of the Account advance to Grant Bank Account are approved by MEF but disbursement from Grant Bank Account is managed by MAFF-PSU.
2.04.	<i>Use of Proceeds.</i> The Recipient and each Project Party shall use the proceeds of the Grant exclusively to finance Eligible Expenditures in accordance with this Agreement and the General Conditions.	Being complied with. Note: Project support travel allowance of CCs acting as project focal points under the contract with PDA.
3.01.	<i>Project Implementation.</i> The Recipient declares its commitment to the goals and purposes of the Project as stated in Schedule 1 hereto and, in furtherance of such goals and purposes, the Project shall be carried out in accordance with this Agreement, in particular in accordance with Section 7.01 of the General Conditions, and substantially in accordance with the AWPB and the Procurement Plans.	Being complied with

Section	Covenant	Status
3.02. (a)	<i>Annual Work Plans and Budgets.</i> (a) The PDAs and the PDoWAs shall each prepare, and the Provincial Authorities through the ExComs shall approve, draft consolidated annual work plans and budgets in respect of planned project activities in their respective provinces for each Project Year, based on participatory planning process. The draft provincial AWPBs shall include, among other things, a detailed description of Project activities, expected outputs and the estimated cost of financing such activities.	Being complied with
3.02.(b)	The MAFF PSU and MoWA shall each prepare a draft annual work plan and budget in respect of their planned Project activities for each Project Year. The draft AWPBs shall include, among other things, a detailed description of Project activities during the coming Project Year, expected outputs and the estimated cost of financing such activities, the sources and uses of funds thereof, and a procurement plan for at least eighteen months.	Being complied with
3.02.(c)	The MAFF PSU shall prepare consolidated draft annual work plans and budgets (AWPBs) in respect of the entire Project for each Project Year. The draft AWPBs shall include, among other things, a detailed description of planned Project activities during the coming Project Year, and the sources and uses of funds therefore, based on the work plans and budgets referred to in paragraphs (a) and (b) above submitted by the Provincial Authorities, and a consolidated Procurement Plan of the Project for at least eighteen months.	Being complied with
3.02. (d)	No later than the <u>15 November</u> prior to the beginning of the relevant Project Year, the MAFF PSU shall submit each consolidated draft AWPB and consolidated Procurement Plan of the Project to the Fund, the Cooperating Institutions and UNDP for their respective comments and the no-objection of the Fund and the Cooperating Institution. When so endorsed, the MAFF PSU shall submit the draft AWPB to the MEF for its approval.	Partially complied with: AWPBs for 2012 and 2013 were submitted to IFAD with delay (about 2-5 months)
3.02.(e)	The MAFF PSU shall adopt the AWPBs and Procurement Plans substantially in the form endorsed by the Fund, the Cooperating Institution, and UNDP and ensure its inclusion in the annual national Public Investment Programme and budget. The MAFF PSU shall provide copies thereof to the Fund and the Cooperating Institution, prior to the commencement of the relevant Project Year.	Being complied with
3.02.(f)	If required, the MAFF PSU on behalf of any Project Party may propose adjustments to the AWPB during the relevant Project Year, which shall become effective upon approval by the MEF, and no objection from UNDP, the Fund and the Cooperating Institution.	Being complied with
3.03.(a)	<i>Project Accounts.</i> As soon as practicable after the date hereof, MEF, at the request of each ExCom on behalf of the relevant Provincial Authorities through the MAFF PSU, shall open and thereafter maintain in a bank proposed by the Recipient and accepted by the Fund two current accounts for each of the provinces comprising the Project Area, each denominated in USD, for project operations. One such account shall receive the proceeds of the Grant (respectively, "Project Account KRT.1", "Project Account PVH.1", and "Project Account RAT.1") and the other account shall receive counterpart funds in accordance with Section 3.04 d) (respectively, "Project Account KRT 2", "Project Account PVH.2", and "Project Account, RAT.2"). The Governor, on behalf of the respective Provincial Authorities, or his delatee, shall be fully authorized to operate Project Accounts KRT.1, KRT2, PVH.1, PVH.2, RAT.1 and RAT.2.	Being complied with: KRT approved on July 27, 2007, PVH approved on August 06, 2007, and RAT approved on July 26, 2007 from ACLEDA Bank Plc.
3.03.(b)	As soon as practicable after the date hereof, MEF, at the request of the MAFF PSU on behalf of the MAFF, shall open and thereafter maintain in a bank proposed by the Recipient and accepted by the Fund, two current accounts denominated in US Dollars for Project operations. One account shall receive the proceeds of the Grant through the Grant Bank Account (the "Project Account MAFF PSU.1") and the other account shall receive counterpart funds in accordance with Section 3.04 d) ("Project Account MAFF PSU.2"). The National Project Coordinator or the Deputy National Project Coordinator of the MAFF PSU shall be fully authorized to operate the Project Account MAFF PSU.1 and MAFF PSU.2.	Being complied with: MAFF-PSU approved on August 09, 2007 from ACLEDA Bank Plc.
3.04.	<i>Availability and Channelling of Grant Proceeds and Counterpart Funds.</i> The Recipient shall make the proceeds of the Grant available to the Project Parties to carry out the Project in accordance with the AWPBs as follows: (a) to the relevant ExComs, as a grant, by disbursement from the Grant Bank Account into the Project Accounts KRT.1, PVH.1 and RAT.1, respectively quarterly in advance, upon request by MAFF PSU. (b) to the MAFF PSU, as a grant, by disbursement from Grant Bank Account into the Project Account MAFF PSU.1, quarterly in advance, upon request by MAFF PSU. c) as soon as practicable after the date hereof, the Recipient shall open and thereafter maintain in the National Bank of Cambodia, or another bank proposed by the Recipient and accepted by the Fund, a Counterpart Funds Account denominated in USD, for the purpose of channelling its cash counterpart contribution to the Project Accounts referred to respectively in Section 3.03 a) and b) above, (d) Without limiting the generality of paragraph a) above, the Recipient shall make available to MAFF PSU, MoWA, the Provincial Authorities, PDAs, PDoWAs and other Project Parties during the Project Implementation Period counterpart contributions from its own resources in an approximate aggregate amount of USD 706,000 equivalent in accordance with its customary national procedures, through i) USD cash contributions into the Counterpart Funds Accounts for subsequent transfer, as a grant, into Project Accounts KRT.2, PVH.2, RAT.2 and MAFF PSU.2, respectively, and ii) tax exemptions in	Being complied with

Section	Covenant	Status
	accordance with paragraph 8 of Schedule 3 II (Additional Covenants, e) For such purpose, as soon as practicable but in no event later than 90 days after the Effective Date, the Recipient shall make available counterpart funds in an amount of USD 128,000 equivalent to the Project Parties, quarterly in advance, to assist in financing Project implementation in the first Project Year in accordance with the AWPB, f) Thereafter, the Recipient shall replenish Project Accounts KRT.2, PVH.2, RAT.2 and MAFF PSU.2, respectively, by disbursement from the Counterpart Funds Account of the counterpart funds called for in the AWPB for the relevant Project Year in accordance with the AWPB, quarterly in advance, upon request by the person or persons authorized to operate the relevant project account. g) Without limiting the generality of paragraphs a) and b) above, the Recipient shall finance, following its customary national procedures, salaries of its staff working for the Project throughout the Project Implementation Period.	
3.05.(a)	<i>Additional Resources.</i> (a) In addition to the proceeds of the Grant, the Recipient shall make available to the Project Parties, promptly as needed, such funds, facilities, services and other resources as may be required from time to time to carry out the Project in accordance with this Agreement and in accordance with Section 7.03 of the General Conditions.	Being complied with
305.(b)	Without limiting the generality of paragraph a) above, the Recipient shall exercise its best efforts to ensure that the UNDP Assistance is made available to the Project Parties in accordance with the AWPBs agreed by the Recipient and UNDP.	Being complied with
3.06.	<i>Procurement.</i> All procurement financed from the proceeds of the Grant shall be undertaken in accordance with Schedule 4 of this Agreement.	Being complied with
4.01.	<i>Monitoring.</i> The MAFF PSU, in collaboration with each relevant Project Party, shall establish, as soon as practicable but in no event later than six months after the Effective Date, and thereafter maintain an appropriate participatory information management system, acceptable to the Fund, to enable it to continuously monitor the Project in accordance with Section 8.02 (Monitoring of Project Implementation) of the General Conditions based on indicators agreed by the Recipient and the Fund.	Being complied with
4.02.	<i>Progress Reports.</i> The MAFF PSU shall submit to the Fund and the Cooperating Institution annual and semi-annual progress reports on Project implementation, as required by Section 8.03 (Progress Reports) of the General Conditions, no later than three months after the end of each reporting period during the Project Implementation Period.	Being complied with
4.03(a).	<i>Mid-Term Review.</i> The Fund, jointly with UNDP and in cooperation with the Recipient and the Cooperating Institution, shall carry out a review of Project implementation no later than the third Project Year (the "Mid-Term Review"), or such other date as the Recipient and the Fund may agree based on terms of reference approved by the Recipient, UNDP, the Fund and the Cooperating Institution.	Complied with (UNDP did not join the MTR mission)
4.03.(b)	Among other things, the Mid-Term Review shall consider the achievement of Project objectives and the constraints thereon, and recommend such reorientation as may be required to achieve such objectives and remove such constraints. In addition, the Mid-Term Review shall address i) the performance of the agricultural activities in the indigenous ethnic minority communities, ii) the performance of the LIGs, FSI groups, other community and village based groups and marketing studies and pilots, iii) the performance of the Technical Assistance (TA), future TA requirements and financing arrangements, iv) the performance of the commune extension workers (CEWs) and the role of the commune councils in the supervision, v) the performance of the provincial line departments and their staff, vi) the usefulness of the learning communities, vii) the beneficiary assessment of Project impact and the independent assessment of the poverty reduction impact, vii) the output of the policy analysis unit and its inputs into policy formulation. Based on such review, the Recipient, UNDP and the Cooperating Institution and the Fund shall agree on an action plan for the remainder of the Project Implementation Period.	Being complied with
4.03 (c)	The Recipient shall ensure that the action plan resulting from the Mid Term Review is implemented within the specified time therefore and to the satisfaction of the Fund and the other Financiers. It is agreed and understood that such recommendations may result in modifications to the Grant Documents or cancellation of the Grant.	Being complied with
4.04.	<i>Completion Report.</i> The MAFF PSU with support from the Cooperating Institutions and together with the other Project Parties shall prepare a draft of the completion report on the Project required by Section 8.04 (Completion Report) of the General Conditions and submit such draft to the Recipient, UNDP, the Fund and the Cooperating Institutions for comments. The MAFF PSU shall submit the final version of the Completion Report to the Fund no later than the Project Completion Date.	Not yet applicable
4.05.	<i>Evaluations.</i> The Recipient and each Project Party shall facilitate all evaluations and reviews of the Project that the Fund may carry out during the Project Implementing Period and for ten years thereafter, as required by Section 10.05 (Evaluations of the Project) of the General Conditions.	Not yet applicable
5.01.	<i>Financial Statements.</i> The MAFF PSU shall prepare the financial statements of the operations, resources and expenditures related to the Project required by Section 9.02 (Financial Statements) of the General Conditions in respect of each Fiscal Year and deliver such financial statements to the	Partially Being complied with: Some information is still not reported

Section	Covenant	Status
	Fund and the Cooperating Institution within three months after the end of such Fiscal Year.	(Consolidated RULIP fixed assets inventory)
5.02.(a)	<i>Audit Reports.</i> Within 90 days after effectiveness, the MAFF PSU shall appoint, with the prior approval of the Fund, independent auditors selected by the MAFF PSU in accordance with the procedures and criteria set forth in the Fund's Guidelines on Project Audits (Recipient's use) (2003, as may be amended from time to time) to audit the accounts relating to the Project for an initial period not exceeding 18 months ending at the end of a Fiscal Year designated by the Fund by notice to the Recipient. Thereafter, as soon as practicable but in event later than 90 days after the beginning of each succeeding Fiscal Year, the MAFF PSU, with the prior approval of the Fund, shall confirm such auditors' appointment or so appoint new independent auditors for such Fiscal Year in accordance with this Subsection 5.02 (a).	Being complied with
5.02.(b)	The MAFF PSU shall have the financial statements relating to the Project audited each Fiscal Year by such auditors in accordance with the International Standards on Auditing, as may be amended from time to time. In accordance with Section 9.03 of the General Conditions, in addition to the audit report on the financial statements, the auditors shall provide: (i) an opinion on the certified statements of expenditure and the operation of the Grant Bank Account, the Counterpart Funds Account and the Project Account and (ii) a separate management letter, addressing the adequacy of the accounting and internal control systems. The MAFF PSU shall deliver the above-mentioned items to the Fund and the Cooperating Institution within six months after the end of each such Fiscal Year. The MAFF PSU shall submit to the Fund the reply to the management letter of the auditors within one month of receipt thereof.	Being complied with.
Schedule 2 para. 2	<i>Minimum Withdrawal Amounts.</i> Withdrawals from the Grant Account shall be made in amounts no less than USD 20 000 or its equivalent, or such other amount as the Fund may designate from time to time	Being complied with
Schedule 2 para. 4	<i>Statements of Expenditure.</i> Withdrawals from the Grant Account may be made against certified statements of expenditure in respect of Eligible Expenditures in such amount as the Fund may designate from time to time by notice to the Recipient. The records evidencing such expenditures need not be submitted to the Fund, but shall be retained by the Recipient for inspection by the representative of the Fund and the Cooperating Institution, in accordance with Sections 4.07 (Statements of Expenditures) and 10.03 (Visits, Inspections and Enquiries) of the General Conditions.	Being complied with
Schedule 2 para. 4	<i>Retroactive Financing.</i> Withdrawals not exceeding the equivalent of USD 220,000 in the aggregate may be made from the Grant Account under Categories V (Training) of the Allocation on Table set forth in Table I of paragraph 1 hereof in respect of expenditures incurred before the date of this Agreement but after 5 December 2006. Such expenditures shall be considered Eligible Expenditures for all purposes of this Agreement, of otherwise eligible	Being complied with
Schedule 3 Part A	Organization and Management	
para.1	<i>Lead Project Agency.</i>	
para.1.1	<i>Designation and Composition.</i> The Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Recipient, in its capacity as Lead Project Agency, shall be responsible for the coordination of the Project.	Being complied with
para.1.2	<i>Responsibilities.</i> The Lead Project Agency shall be responsible for the coordination of the successful implementation of the Project as well as for provision of i) policy guidance to the Project Parties ii) inter-agency coordination on any policy and major operational issue iii) endorsement of the AWPBs and iv) oversight of the progress of the Project. The Lead Project Agency shall also be responsible for the provision of technical support to the PDAs in the Project Area for implementation of the Livelihoods Improvement Component (Schedule 1, paragraph 6A).	Being complied with
para.1.3	The Lead Project Agency shall ensure that the Project is implemented within the framework of the goals, purposes, approaches and strategy set forth in this Agreement and as otherwise agreed by the Recipient and the Fund. It shall ensure that selection criteria, eligibility criteria and targeting criteria for Project activities set forth in this Agreement or otherwise agreed by the Recipient and the Fund shall be strictly observed in Project implementation.	Being complied with
para.2	<i>Project Support Unit (MAFF PSU) of MAFF</i>	
para.2.1	<i>Establishment and Composition.</i> The Recipient shall establish and maintain throughout the Project Implementation Period a Project Support Unit (MAFF PSU) within the Lead Project Agency composed of such competent staff in such adequate numbers as the Recipient and the Fund may agree. The MAFF PSU staff shall include a National Project Coordinator (NPC) and staff working full time for the Project including i) one Deputy National Project Coordinator (DNPC), ii) one Policy Analyst, ii) two Finance Officers, iv) two planning and Monitoring and Evaluation (M&E) Officers and v) two support staff.	Being complied with

Section	Covenant	Status
para.2.2	<i>Responsibilities.</i> The MAFF PSU shall be responsible for: a) Inter-agency coordination and coordination with UNDP, the Fund, the Cooperating Institution, and other dev agency, b) national and inter-provincial coordination and co-ordination with other projects and programmes, c) co-ordination with UNDP for the implementation of the Learning Communities sub-component and with DANIDA/DFID supported National Resources Management (NRM) and Livelihood Programme to ensure that Project implementation is co-ordinated with the activities supported by other development agencies in the Project area d) processing major procurement of goods and services financed under the Project in cooperation with other Project Parties e) Operating the project accounts MAFF PSU.1 and MAFF PSU.2 in accordance with Section 3.03 of this Agreement f) arranging for supervision, review and evaluation of Project (Supervision, Mid-Term and Completion) g) Preparation and review of the consolidated AWPBs of the Project for submission to the Fund and the Cooperating Institution for comments and no-objection and to MEF for approval h) Consolidating and processing, on a timely basis, eligible expenditures incurred at national level and in the Project Area and preparing withdrawal applications for submission to the MEF and the Cooperating Institution i) Preparing, maintaining and consolidating accounts and records relating to the Project in accordance with generally accepted accounting standards and section 9.01 of the General Conditions, including inter alia, the Grant Bank Account, the Project Accounts, the Counterpart Funds Account and all other Project-related accounts j) Preparing consolidated financial statements of the Project in accordance with Section 5.01 of this Agreement k) Appointing an independent external auditor, acceptable to the Fund, within 90 days after Effective Date, and responding to the management letter in accordance with Section 5.02 (b) of this Agreement l) establishing within six months of the Effective Date and managing the Monitoring and Evaluation and Results for Impact Management System (M&E/RIMS) and beneficiary impact assessment for the Project in accordance with Section 4.01 of this Agreement, analysing information and reporting to the Fund and the Cooperating Institution m) Overall compliance with implementation, reporting and information requirements (Article IV hereof and Article VIII of the General Conditions) and financial reporting and information requirements (Article V hereof and Article IX of the General Conditions).	Being complied with
para.2.3	The MAFF PSU shall also discharge the following responsibilities i) assist the Provincial Authorities, PDAs and other Project parties in the selection of Project target communes, ii) assist the PDAs PDoWAs and other Project Parties set up and operate the financial reporting and monitoring systems required by this Agreement and provide necessary staff training, iii) provide management and technical support to PDAs, PDoWAs and other Project Parties to implement the Project activities in an efficient and effective manner, iv) facilitate the provision of specific technical expertise and support required by the PDAs from MAFF and other institutions, v) coordinate with the MOI in respect of policy issues related to the Organic Law and decentralisation and deconcentration and with the MoWA for gender mainstreaming in the agricultural sector, vi) ensure that the activities of the Learning Communities are synchronized and integrated with the Project, vii) assess the implications for the development of pro-poor agricultural policies and engage in dialogue with government policy makers under the Policy Analysis sub-Component (Schedule 1, para. BII) and viii) act as secretariat to the Committee for Decentralization and Deconcentration established within MAFF.	Being complied with
para.3.	National Project Coordinator (NPC) and Deputy National Project Coordinator (DNPC).	Being complied with
para.3.1	<i>Appointment and Tenure.</i> The Lead Project Agency shall appoint a National Project Coordinator (NPC) and Deputy NPC (DNPC) who shall not be removed until the completion of the Mid-Term Review except in the case of unsatisfactory performance, with qualifications and experience satisfactory to the Fund. The NPC and the DNPC shall be responsible for the day-to-day operations of the MAFF PSU, the coordination of, and support to, all Project Parties in the implementation of the Project and for ensuring that the responsibilities of MAFF as the Lead Project Agency set forth in para. 1.2 above are satisfactorily carried out.	Being complied with, two DNPCs have been appointed to support RPRP and RULIP. One DNPC is responsible for Finance, Procurement and Administration. One DNPC is responsible for Planning and M&E.
para.4	<i>Ministry of Women's Affairs (MoWA)</i>	
para.4.1	<i>Responsibilities.</i> The Ministry of Women's Affairs of the Recipient shall contribute to gender mainstreaming in the agricultural sector, through an annual contract with the MAFF, and to support gender mainstreaming in Project implementation in the three provinces. Qualified, experienced senior staff and gender specialists engaged full-time for the Project shall provide the required support, inter alia for: i) designing and implementing gender mainstreaming and women empowerment programmes ii) training of trainers, technical advice and on-the-job training in gender analysis iii) providing technical support to the staff of the PDoWAs in the Project Area in implementation of the Gender Mainstreaming in Agriculture sub-component (schedule 1, para B III), iv) preparing training materials for the Gender mainstreaming in Agriculture sub-component (Schedule I, para B III), iv) preparing training materials for the Gender Mainstreaming in Agriculture sub-component (Schedule I, para. B III) for use of PDoWAs and v) Designing implementation arrangements for impact monitoring, gender problem-solving, confidence building, mentoring, data analysis and policy guidance	Being complied with
para.5	Ministry of Economy and Finance	

Section	Covenant	Status
Para 5.1	<i>Responsibilities.</i> The MEF of the Recipient shall be responsible for, inter alia: a) Providing guidance and systematic training to the Project staff on the implementation of Standard Operating Procedures (SOP), Financial Management Manual (FMM), Procurement Manual (PM) and handbook of decentralized Projects of the Recipient, b) approval of the AWPBs of the Project on behalf of the Recipient, c) ensuring that the AWPBs of the Project are included in the national budget to be submitted to the National Assembly for approval, d) Operation of the Grant Bank Account in accordance with Section 2.03 of the Counterpart Funds Account in accordance with Section 3.04 (c) e) disbursement of the proceeds of the Grant, through the Project Accounts, to the Project Parties in the three provinces in the Project Area and the MAFF PSU to finance the Project activities in accordance with Section 3.04 (a) and (b) respectively f) disbursement of the Recipient's counterpart contribution in accordance with Section 3.05, g) Processing and submission of withdrawal applications to the Fund and the Cooperating Institution and h) other responsibilities relevant to the MEF as provided in this Agreement.	Being complied with. NCDD Finance and Administration Manual is applied to RULIP at sub-national level. MAFF-PSU follows SOP
para.5. 2	<i>Liaison Officer and Assistant.</i> The MEF shall appoint a Liaison Officer and an Assistant to the Liaison Officer, with qualifications and experience satisfactory to the Fund, to serve in the World Bank Division of the Department of Investment and Cooperation of the MEF. The Liaison Officer and Assistant thereof shall take care of all matters related to Project implementation as provided in paragraph 5.1 hereof.	Being complied with
Para 6	<i>Provincial Level.-Provincial Authorities</i>	
para. 6.1	<i>Designation.</i> Under the coordination of the Lead Project Agency, the Provincial Authorities of each province in the Project Area shall be responsible for the successful implementation of Project activities and coordination of the social and economic development programmes in their respective Provinces.	Being complied with
para.6.2	<i>Composition.</i> The provincial Authorities shall encompass the provincial administration of the Recipient in each of the province in the Project Area, including the Governor, his/her deputies, the Provincial Rural Development Committee (PRDCs) and such other entities as the Recipient may deem necessary. The Recipient shall maintain the Provincial Authorities and ensure effective functioning in each of the provinces in the Project Area throughout the Project Implementation Period. The Recipient shall promptly inform the Fund of any change in the mandates, functions, responsibilities, composition and institutional structure of the Provincial Authorities.	Being complied with
para.6.3	<i>Responsibilities.</i> The Provincial Authorities shall be responsible for, inter alia i) policy guidance for social and economic development in the respective provinces of the Project Area, ii) coordination of all rural poverty reduction programmes in the respective provinces, iii) inter-agency coordination on any policy and major operational issue, iv) endorsement of the selection of Project target communes, v) approval of the provincial Project AWPBs, vi) award of Project Contract to the Provincial Implementing Agencies, NGOs and other organisations for implementation of the Project, vii) coordination of policy, planning, budgeting, management and operational issues related to Project implementation, viii) review and endorsement of quarterly and annual Project progress reports, and ix) supervision of the Project implementation in their respective provinces.	Being complied with
para.7	<i>Executive Committee (ExCom) of the Provincial Rural Development Committee</i>	PRDC- ExCom was replaced by new provincial level governance structure (under Organic Law and 3-year Implementation Plan (IP3) from January 2012.
para.7.1	<i>Designation and Composition.</i> The Recipient shall maintain an executive committee (ExCom) for the relevant Provincial Authorities throughout the Project Implementation Period. Each ExCom shall be composed of representatives of the relevant line agencies of the Recipient at the provincial level and such other agencies as the Recipient may deem necessary. The Recipient shall promptly inform the Fund of any change in the mandates, functions, responsibilities, composition and management structure of the ExComs.	Being complied with
para.7.2	<i>Responsibilities.</i> Each ExCom shall include four management units of Local Administration, Contract Administration, Technical Support and Finance, which shall manage and support the day-to-day implementation and operation of Project activities in its respective province. The ExCom shall include such other competent staff in such adequate numbers as the Recipient and the Fund may agree, each with qualifications and experience satisfactory to the Fund.	Being complied with
Para 7. 3	<i>Responsibilities.</i> Each ExCom shall be responsible for: (i) the execution of policy decisions taken by the relevant Provincial Authorities, ii) implementation of the social and economic development and rural poverty reduction programmes/projects in the respective province through concerned provincial line agencies, NGOs and other qualified service providers, iii) supervision of Project Contracts, and iv) inter-agency	Being complied with

Section	Covenant	Status
	coordination, supervision and monitoring of Project implementation in its respective province. Each ExCom shall also be responsible for, inter alia: a) provision of overall co-ordination of Project activities at provincial, district and commune levels; b) selection and appointment of qualified technical and management staff in adequate numbers in each of the four management units of the ExCom, with the approval of the provincial staff selection committee; c) ensuring that the four management units of the ExCom are properly staffed, managed and financed and effectively perform their duties in accordance with their assigned roles and responsibilities; d) validating the targeting of the Project activities in the respective Province; e) supervising and monitoring Project implementation in the respective province; f) review and consolidation of the provincial AWPBs of the Project for submission to the Provincial Authorities for approval as part of the provincial Public Investment Programme and onward transmission to the MAFF PSU for consolidation by 15 October of each Project Year; g) ensuring that the Project Contracts with the relevant Provincial Implementing Agencies, NGOs or other Project Parties are prepared in accordance with the approved AWPBs; h) the administration and supervision of the execution of the Project Contracts on behalf of the relevant Provincial Authorities; i) operation of the relevant Project Accounts as described in Section 3.03 (a). j) ensuring that the finance system and payments against approved Project Contracts are efficiently managed, monitored, accounted for and periodically audited; k) establishing and maintaining the Monitoring and Evaluation and Results for Impact Management System (M&E/RIMS) and analysing information and reporting to the MAFF PSU, l) organisation and execution of regular Project impact assessments and beneficiary monitoring workshops m) consolidating and processing, on a timely basis, Eligible Expenditures and withdrawal applications for submission to the MAFF PSU n) preparation and maintenance of financial account and records required by Section 9.01 of the General Conditions in respect of the Project activities in the relevant province o) compliance with implementation reporting and information requirements (Article IV hereof and Article VIII of the General Conditions) and financial reporting and information requirements (Article V hereof and Article IX of the General Conditions) in respect of Project activities in the relevant Province.	
para. 8	<i>Provincial Implementing Agencies</i>	
Para 8.1	<i>Designation.</i> The provincial implementing agencies in each province shall include Provincial Department of Agriculture, Provincial Department of Women's Affairs, and such other agencies as the Recipient may deem necessary for the successful implementation of the Project.	Being complied with
para. 8.2	<i>Responsibilities.</i> Each provincial implementing agency shall implement the Project activities under a Project Contract with the relevant Provincial Authorities. Each provincial implementing agency shall appoint staff with qualifications and experience satisfactory to the Fund, and shall be responsible for implementing the Project components and sub-components under its responsibility, including planning, management, staff supervision and reporting. Each provincial implementing agency shall be responsible for the following: (i) selection of provincial and district Project staff for the implementation of respective Project components and activities under its responsibility, with the approval of the provincial staff selection committee; (ii) preparation and consolidation of AWPBs based on commune planning processes and district integration workshops for the implementation of respective Project components and activities under its responsibility for submission to the Provincial Authorities through the ExCom for approval and inclusion in the provincial and national Public Investment Plan; (iii) preparation of detailed proposals for the Project Contracts (iv) execution of the Project Contracts to provide required services to the members of the Target Group for the implementation of respective Project components and activities under its responsibility in accordance with the targeting and eligibility criteria of the Project and terms and conditions of the Project Contracts; (v) provision of adequate numbers of qualified provincial and district staff and provision of adequate technical backstopping to the district staff; (vi) organisation and provision of adequate technical and management training to selected provincial and district staff, farmers and community leaders in their specific fields of expertise (vii) management and execution of the services and activities in all aspects of the Project Contracts with Provincial Authorities to ensure accountability and transparency, including provision of high quality services to the members of the Target Group, purchase of equipment, materials and inputs for the implementation of the Project Contracts, execution of training programmes, payment of staff allowances and operating expenses, settlement of the Project Contract payments with the ExCom and keeping records and accounts for eligible Project expenditures; (viii) maintenance of close coordination and collaboration with the other provincial implementing agencies and the ExCom in the other province of the Project Area and with counterpart line ministries in respect of national policy and regulations in the respective sector or sub-sectors and any other matters as necessary; and (ix) preparation and consolidation of monthly and quarterly physical and financial progress reports for the concerned Project activities for submission to the Provincial Authorities through the relevant ExCom and to the MAFF PSU.	Being complied with
Para 9	<i>Provincial Department of Agriculture (PDA)</i>	
para.9.1	<i>Designation</i> The Director of each PDA shall be the responsible for the successful implementation of the Livelihood Improvement Component of the Project under contracts with the Provincial authorities, in close coordination with the relevant PDoWA and selected NGOs.	Being complied with

Section	Covenant	Status
para.10	<i>Provincial Support Teams (PST)</i>	
para.10.1	<i>Establishment and Composition.</i> Each PDA shall establish and maintain a Provincial Support Team (PST) in its province throughout the Project implementation period, headed by the Director or a Deputy Director of the PDA as the Provincial Project Coordinator (PPC) and a Deputy Provincial Project Coordinator (DPPC) with qualifications and experience satisfactory to the Fund. The PST shall include two sections:i) the management group responsible for administration, finance, planning, reporting and M&E and ii) the technical group responsible for providing training and technical support to District staff and CEW in crop and livestock extension, marketing linkages and other relevant activities under the Livelihood Improvement Component of the Project. The technical group shall include one staff selected from PDoWA to assist with gender mainstreaming, analysis, monitoring and implementation of specific activities that involve women. The PST staff shall include such other competent staff in such adequate numbers as the Recipient and the Fund may agree, each with qualifications and experience satisfactory to the Fund. The PST shall work full time on Project implementation and management.	Being complied with
para.10.2	<i>Responsibilities.</i> The PST shall be responsible for, inter alia:i) organising the District Support Team (DST) staff to participate in the commune development planning processes , including undertaking the Agro-ecosystem Analysis and effective participation in district integration workshops, ii) preparing and consolidating the AWPBs for the Project's agricultural activities to be submitted through the ExCom to the Provincial Authorities for approval and inclusion in the provincial and national Public Investment Programmes, iii) preparing detailed proposals and contract documents for the implementation of the Project's agricultural activities, iv) executing Project Contracts with the Provincial Authorities, v) providing technical support and qualified technical staff in adequate number at the provincial district and commune levels (PST, DSTs and CEWs) to implement the agricultural development activities under contracts, vi) organising technical and management training at provincial, district and commune levels for agricultural staff, CEWs, farmers and group leaders, vii) arranging the timely purchase and delivery of equipment, materials and agricultural inputs, viii) recruiting the CEWs to work in each commune in cooperation with the commune councils, village elders and DSTs, ix) supervising and evaluating the performance of the provincial and district agricultural Project staff and CEWs, x) coordinating with selected Micro-finance Intermediaries and credit NGOs to enable target group farmers have access to capital, xi) maintaining financial accounts and records for Project Eligible Expenditures, xii) preparing and consolidating monthly, quarterly, six-monthly and annual physical and financial progress reports for all Project agricultural development activities for submission to the MAFF PSU for consolidation, xiii) undertaking regular participatory impact assessment and beneficiary monitoring.	Being complied with
para.11	<i>Provincial Department of Women's Affairs (PDoWA)</i>	
para.11.1	<i>Designation.</i> The Director of each PDoWA shall be responsible for the successful implementation of the Project's gender mainstreaming activities under contracts with the Provincial Authorities, in close coordination with the relevant PDA and selected NGOs.	Almost complied with: Deputy directors of PDoWA of RAT and KRT have been designated to be responsible for project's gender mainstreaming activities.
para.11.2	<i>Responsibilities.</i> Each PDoWA shall be responsible for, inter alia:i) preparing and consolidating the AWPB for the Project's gender analysis, training and monitoring for submission through the ExCom to the Provincial Authorities for approval and inclusion in the provincial and national Public Investment Programmes, ii) preparing detailed proposals and contract documents for the implementation of the Project's gender mainstreaming activities, iii) executing Project Contracts with the Provincial Authorities, I v) providing technical support and qualified technical staff at the provincial, district and commune levels to implement the gender mainstreaming activities v) organising gender awareness training for provincial, and district agricultural staff, CEWs, farmers and group leaders, vi) the implementation of gender mainstreaming and women empowerment programmes, vii) participating in impact assessment and beneficiary monitoring and viii) ensuring that all monitoring is gender sensitive.	Being complied with
Para 12	<i>District Support Teams (DST)</i>	
para.12 1	<i>Establishment and Composition.</i> Each PDA shall establish a District Support Team (DST) in the District Office of Agriculture (DOA) of each Project target district throughout the Project Implementation Period to support implementation of Project activities. Each DST shall comprise of approximately five staff members, including one selected from PDoWA, responsible for managing all project-related activities in the District. The DST staff shall include such other competent staff in such adequate numbers as the Recipient and the Fund may agree, each with qualifications and experience satisfactory to the Fund.	Being complied with

Section	Covenant	Status
para.12.2	<i>Responsibilities.</i> Each DST shall be responsible for. inter alia: i) assisting with the management and maintenance of district data drawing on information from villages in which each team member is assigned to work. ii) delivering agricultural extension services, training and demonstrations to target village groups and ensuring gender considerations are mainstreamed in all activities iii) organise village meetings to publicise the objectives and proposed activities of the project, discuss farmers' agricultural development priorities and hold elections to select lead farmers from candidates chosen by the beneficiaries; iv) carrying out adaptive research, as requested, under the guidance of the PST, v) the procurement of inputs to provide materials and inputs from the LIGs and FSI groups and implement demonstration activities in the target communes, vi) ensuring the availability of publicity materials and notices, vii) organising village demonstrations using lead farmers groups, viii) organising village field days, training and agricultural development meetings associated with on-going demonstrations on a regular basis, ix) ensuring that VAHWs adequately plan and implement their contracted responsibilities to the LIGs and FSI groups, x) providing training and technical support for CEWs, VEWs, and VAHWs, xi) assisting in planning, organising and running the annual District Fair, xii) organising and conducting beneficiary monitoring, participatory impact assessment and economic analysis exercise, xiii) reporting to the PST on a monthly basis on progress in training, implementation, results and impact achieved and farmers' reactions and xiv) assisting the PDA and commune councils in the evaluation of the performance of the CEWs.	Being complied with
para.13	<i>Commune Councils, their Committees and Administrations.</i>	
para.13.1	<i>Designation.</i> The Commune councils shall: i) include the Project activities as demanded by the Target Group members in the commune's development plans based on the commune planning process, ii) consolidate the commune's development plans and approve amendments thereof, iii) approve the three year rolling investment programme, iv) approve the draft annual budget to be submitted to the Provincial Governor, v) appoint an agricultural focal point to provide a link with the DST, CEWs, VAHWs, and VEWs, vi) monitor and evaluate the results and impact of the implementation of the commune development plans, including Project financed activities and those of other agencies, and vii) monitor and evaluate the results and impact of the implementation of the commune development plans, including Project financed activities and those of other agencies, and vii) monitor and evaluate the performance of the CEWs in cooperation with beneficiaries, village elders and relevant PDA.	Being complied through designated project commune council focal points for commune level RULIP activities
para.14	<i>Local Communities</i>	
para.14.1	<i>Compositions.</i> Organisations within the local communities and villages involved in the Project implementation shall include: i) Community elders, ii) Village agriculture/land development committees, iii) Livelihood Improvement groups, iv) Farming systems Improvement groups, v) Women's groups, vi) Water User groups, vii) other self-help groups and Farmer associations, and viii)VAHWs associations.	Being complied with
para.14.2	<i>Responsibilities.</i> The organisations and their members in the local communities and villages, shall: i) participate in the commune planning process through their membership to the Planning and Budget Committees of the commune councils, ii) participate in the agro-ecosystem analysis (AEA), iii) identify poor and vulnerable households during the participatory wealth ranking exercise undertaken by the communities and facilitated by the CEWs and DST, iv) participate in the LIGs and FSI groups training and demonstrations conducted by the communities and facilitated by the CEWs and DST, v) take initiatives, inter alia, in the adoption of tested and proven agricultural technology, natural resource management activities, marketing initiatives, vi) participate in the participatory impact assessment and beneficiary monitoring, and vii) monitor and evaluate the performance of the CEWs in cooperation with the village elders, commune councils and relevant PDA.	Being complied with
Para 15	<i>Commune Extension Workers (CEWs)</i>	
para.15.1	<i>Responsibilities.</i> The key responsibilities of CEWs shall be: i) Holding village orientation meetings, facilitating participatory wealth ranking organised by the communities, problem analysis, facilitating farmer selection criteria, ii) facilitating farmer selection for the LIG and FSI groups based on participatory wealth ranking, iii) group formation, including registration and finalisation of agreements to join LIG and FSI groups, develop group vision, goal, objectives, selection criteria for committee members and facilitate elections for committees, iv) training of group leaders in roles and responsibilities, management, facilitation skills, rural livelihoods, improvement activities, data collection, record keeping, bookkeeping, conflict resolution, gender mainstreaming, democracy, human rights, v) facilitating group empowerment, including the establishment of group principles, rules/regulations, roles and responsibilities of group members, group strategy, data collection and record keeping, vi) assisting in LIG revolving fund management, FSI group members' access to credit as a group, preparing the activity work plan and schedule for group meetings, vii) organising monthly group meetings agenda, drafting minutes, identifying problems and solutions, and assessing progress reports from bookkeepers, viii) conducting LIG farmer training according to the training plan, ix) organising weekly meetings with LIG committee, x) undertaking LIG household visits to follow up on problems identified in weekly training sessions, xi) assisting the farmer field school master trainer with the provision of training, xii) assisting the DST with the setting up of on-farm demonstrations for the FSI groups, xiii) arranging the LIG and FSI group field days and cross	Being complied with

Section	Covenant	Status
	visits, xiv) assisting the LIG committee establish Young Farmers Clubs, xv) assisting the LIG and FSI group carry out self-evaluations, including participatory impact assessment every six months to evaluate farmer selection, training, implementation, adoption of technologies, responsiveness of activities to farmer's needs/problems, strengths, weaknesses, opportunities and threats, effectiveness of support from VEWs, VAHWs, CEWs, DST and other service providers, xvi) assisting with planning of agriculture and small water supply projects for incorporation in the commune development plan, xvii) ensuring Project activities are incorporated in commune council planning processes, xix) attending monthly meetings at the District Agriculture Office, xx) preparing monthly reports and monthly work plans and xxi) providing full reports and receipts for training events, demonstration and field days.	
	Implementation of Project Components	
Para 1	Livelihood Improvement Component. The Component, including LIGs, FSI groups and the complementary programmes of support to commune level planning and monitoring, support for VEWs and VAHWs, awareness raising in laws and regulations, gender mainstreaming, support for market initiatives, integrated farming system demonstrations, private sector development, district fairs and establishment of Young Farmers Clubs, shall be implemented by the PDA in each province of the Project Area and its district offices under Project Contracts with the relevant Project Authorities, under the supervision of the relevant ExCom and MAFF PSU and in collaboration with PDoWA, NGOs and other Project Parties.	Being complied with
para.1.1	The Project shall work closely, and coordinate all activities, with the commune council-appointed Focal Points for agriculture, NRM and women and children in the local communities and villages. Project activities in the commune and villages shall be facilitated by the CEWs and implemented through community structures. All Project activities shall be built into the Commune Development Plan (CDP). Technical aspects shall be supported by trained VEWs, VAHWs, and CEWs with backstopping from the DST and PST. The Project shall also assist communities to access funds available from NRM activities through the commune councils.	Being complied with
Para 2	Support for Decentralisation and Deconcentration in Agriculture Component. The component shall fall under the overall responsibility of the MAFF PSU, including its management, coordination and implementation, in close cooperation with the MoWA, the Provincial Authorities, the PDAs, PDoWAs, NGOs and other Project Parties.	Being complied with
para. 2.1	The MAFF PSU shall provide technical support and coordination for the implementation of the Support for Provincial Agriculture Investment Programme sub-Components (schedule 1, paragraph BI) including provision of training, capacity building, policy guidance and coordination for the PDAs for the implementation of the sub-Component.	Being complied with
para.2.2	The MAFF PSU shall be responsible for implementation of the Policy Analysis sub-Component (Schedule 1, para B II) including recruitment of an international policy adviser and a national policy analyst to assist the MAFF PSU staff to prepare case studies and policy papers, hold workshops and seminars and also disseminate its findings via a website. As relevant, the MAFF PSU shall facilitate the inclusion of best practices and innovations in the AWPBs of the on-going Fund-financed and other programmes for replication. The MAFF PSU shall also organise regular cross-project workshops to address issues and share experiences and lessons learned for wider application.	Being complied with: i). the international policy advisor was provided by UNDP; ii) a part-time national policy analysis adviser was; iii) IFAD provided an intern staff to support MAFF-PSU to draw lessons learnt from the project implementation.
para.2.3	The MoWA and the PDoWAs in the Project Area shall be responsible for the implementation of the Support for Gender Mainstreaming in Agriculture sub-Component (Schedule 1, para. BIII) under contract with the MAFF and PDAs, respectively, and, in close cooperation with the MAFF PSU, the PDAs, NGOs, and other Project Parties. Qualified, experienced senior staff and gender specialists engaged full time shall provide the required support for, inter alia: training of trainers, technical advice and on-the-job training in gender analysis, design and implementation arrangements for impact monitoring, gender problem solving, confidence building, mentoring, data analysis and policy guidance. The Project shall train selected provincial level staff from the PDoWA, and PDA/PST as trainers in gender awareness, gender sensitivity and gender analysis. Provincial and district staff shall receive training in Project orientation, planning, management, monitoring and evaluation and extension methodology with gender awareness and gender sensitivity integrated in the training to ensure gender constraints are analysed and interventions designed to meet priorities and overcome constraints faced by women for improving gender equity.	Being complied with
para.2.4	UNDP, in consultation and coordination with MAFF PSU and other Project Parties, shall be responsible for arranging the implementation of the Learning Communities sub-Component (Schedule 1, para BIV).	Being complied with
	Basic Project Documents – Project Contracts	
Para 1.1	Awarding. The Project activities in the Project Area shall be implemented under Project Contracts between the Provincial Authorities and the	Being complied with

Section	Covenant	Status
	provincial implementing agencies, selected NGOs or other Project Parties. The Project Contracts shall be awarded by the relevant Provincial Authorities to concerned provincial implementing agencies for implementation of the Project components or sub-components under their functional responsibilities on an annual basis and to NGOs, national and provincial agencies or other Project Parties for implementation of specific Project activities selected in accordance with such competitive and transparent procedures and criteria as the Recipient may propose and the Fund and the Cooperating Institution may agree. The Project Contracts shall provide, <i>inter alia</i> , for specific type, location, timeframe, quality and quantity of activities or services to be undertaken, roles and responsibilities of each party, expected outputs, estimated inputs and budgets, payment schedule and procurement and reporting requirements.	
para. 1.2	<i>Forms</i> . The Project Contracts shall be substantially in the standard forms agreed by the Recipient and the Fund.	Being complied with
para.1.3	<i>Approval</i> . All Project contracts shall be awarded on the basis of competitive and transparent selection and review procedures approved by the Cooperating Institutions and the Fund as part of the review of AWPBs.	Being complied with
	Additional Covenants	
para.1	<i>Declaration of Commitment</i> . The Provincial Authorities, the ExCom, and the PDA, and PDoWA of each province in the Project Area, the Lead Agency, MEF and other Project Parties undertaking the Project activities shall declare their commitment to the goal and purposes of the project as stated in Schedule 1 hereof and, in furtherance of such goals and purposes, they shall undertake to carry out the Project in accordance with this Agreement.	Being complied with
para. 2	<i>Gender</i> . The Recipient shall ensure that gender concerns are mainstreamed in all Project activities throughout the Project Implementation Period. The Recipient shall ensure that: (i) the Project shall promote the role of women as agents of change in local social and economic development; (ii) priority shall be given to women farmers to be trained (iii) the Project shall encourage women farmers to take on leadership roles and participate in decision-making both within the family and at the community level; and (iv) priority shall be given to qualified women to work as Project staff.	Being complied with
para.3	<i>Indigenous People's (IPs) Concern</i> . The Recipient shall ensure that the concerns of IPs are given due consideration in implementing the Project and, to this end, shall ensure that: a) The Project is carried out in accordance with the applicable provisions of the relevant IP national legislation, b) IPs are adequately and fairly represented in all local planning for Project activities, c) IP rights are duly respected, d) IP communities participate in policy dialogue and local governance, e) the terms of Declarations, Covenants and/or Conventions ratified by the Recipient on the subject are respected, and f) the Project shall not involve encroachment on traditional territories used or occupied by indigenous communities.	Being complied with
para.4	<i>National Budget</i> . The Recipient shall ensure that adequate provisions for financing the Project shall be included in the national budget each Financial Year during the Project Implementation Period, based on the projected AWPBs for each such year.	Being complied with
Para 5	<i>Operation and Maintenance</i> . The Recipient shall ensure that adequate human and financial resources shall be provided to support the operation and maintenance of Project financed investments and the recurrent costs of the Project operations both during and after the Project Implementation Period, at least for the useful life of such investments.	Being complied with
para.6	<i>Agricultural Extension Programme</i> . The Recipient shall ensure that adequate human and financial resources are provided to sustain the crop and livestock extension programmes in the Project Area until at least three years after the Project Completion Date.	Being complied with
para.7	<i>Pest Management Practices</i> . As part of maintaining sound environmental practices as required by Section 7.15 of the General Conditions, the Recipient shall maintain appropriate pest management practices under the Project and, to that end, shall ensure that pesticides procured under the Distribution and Use of Pesticides of the Food and Agriculture Organisation of the United Nations (FAO), as amended from time to time, and ensure that pesticides procured under the Project do not include any pesticide formulation which would be classified as Extremely Hazardous (Class 1a) or Highly Hazardous (Class 1b) according to the WHO Recommended Classification of Pesticides by Hazard and Classification 1996-97, as amended from time to time.	Being complied with
para.8	<i>Tax Exemption</i> . The Recipient shall exempt from Taxes the importation, procurement and supply of all goods, civil works and services financed by the Grant. The value of such exemptions shall be credited against the obligation of the Recipient to provide counterpart funds for the Project under Section 3.05 of this Agreement.	Being complied with
para.9	<i>Insurance</i> . The Recipient shall insure Project personnel against health and accident risks in accordance with its customary practice in respect of its national civil service. The Recipient shall insure all vehicles and equipment used in connection with the Project against such risks and in such amounts as may be consistent with sound practice. The Recipient may, in either case, finance such insurance from the proceeds of the loan.	Partially complied. Vehicles & equipment are not insured.
para.10	<i>Authorisations</i> . The Recipient shall provide any Project Party with such delegations of authority or other authorisations as may be required under its	Being complied with

Section	Covenant	Status
	national procedures to implement the Project in accordance with this Agreement.	
para. 11	<i>Coordination.</i> The Recipient shall make effective arrangements to co-ordinate with other international agencies operating in the Project Area to ensure that: (i) uniform policies are adopted for the same sector or activity, such as extension methodology and staff incentives; (ii) activities financed by different donors in the same province or district are carefully phased to avoid constraints on the available human and financial resources; (iii) the policy of decentralised development planning and financing shall continue throughout the Project Implementation Period without any change which would have a material adverse effect on Project implementation; (iv) the Project financing from all Financiers shall be in accordance with the agreed financing plan; and (v) the lessons learned from the implementation of the decentralised planning and development under the Project and feedback from the beneficiary impact assessments are given due consideration in future policy formulation at the provincial and national level.	Being complied with
para. 12	<i>Natural Resources.</i> The Recipient shall ensure that effective policies and measures shall be enforced to safeguard forest and fishery resources and endangered species in the Project Area.	Being complied with
para. 13	<i>Legal Framework for Lands and Forests.</i> The Recipient shall ensure to undertake the following actions in respect of the legal framework for lands and forests, implement and enforce: i) Article 18 and articles 23-28 of the Land Law 2001, ii) the sub-decree on State Land Management (2005), iii) the sub-decree on Economic Land Concessions (2005), iv) the inter-ministerial Prakas of MOI and the Ministry Land Management, Urban Planning and Construction (No 219) concerning the roles and responsibilities of the Khum-Sangkat administration in land matters, and v) Prime Minister's Order No 1 preventing the clearance of State Forestland for all types of ownership, with safeguard measures for the poor and vulnerable population.	Being complied with
para. 14	<i>Key Project Staff.</i> The Recipient shall recruit and appoint key project staff with such qualifications and experience, and in accordance with such competitive and transparent procedures and criteria, as the Recipient may propose and the Fund and the Cooperating Institution may agree. The Recipient shall provide qualified Project staff in adequate numbers with experience and qualifications satisfactory to the Fund, including, inter alia, staff of the MAFF PSU, PDAs and PDoWAs and ExComs, working full time for the project at national, provincial, and district levels in the Project Area. The Recipient shall not remove any key project staff, until at least the completion of the Mid-Term Review, except on grounds of unsatisfactory job performance. The Recipient shall not remove any Key Project Staff, without prior consultation with the Fund at least three months in advance. For purposes of this paragraph, the term "key project staff" includes, inter alia, the National Project Coordinator, the Deputy National Project Coordinator, the finance and planning/monitoring and evaluation officers of the MAFF PSU, gender mainstreaming officers of MoWA, the focal points of the PDoWAs, the permanent Secretaries of ExComs, the chiefs of the ExCom units and the heads of the PSTs and DSTs.	Being complied with although some staff are working part time in the project.
para.15	<i>Financing of the Operating Costs of the Provincial Decentralisation Structure.</i> The Recipient shall be responsible for the financing of the costs of operations of the Provincial deconcentration structure and the ExCom management units, throughout the Project Implementation Period, including the support to the commune planning process and technical support for investments planned by the commune councils, either from its own resources or from other sources of financing.	Being complied with the regular public finance system and IP3
para.16	<i>Use of Project Vehicles and Other Equipment.</i> The Recipient shall ensure that: a) the types of vehicles and other equipment procured under the Project are appropriate to the needs of the Project, b) all vehicles and other equipment transferred to or procured under the Project are dedicated solely to Project use.	Partially complied with, some vehicle have been used for other official purposes.
para.17	<i>Fraud and Corruption.</i> The Recipient shall promptly bring to the attention of the Fund any allegations or concerns of fraud and/or corruption in relation to the implementation of the Project of which it has knowledge or becomes aware.	Being complied with
Schedule 4	Procurement	
Part A	General	
para.1	Procurement of goods and civil works financed by the Grant shall be subject to the provisions of the IFAD "Procurement Guidelines" approved by the Executive Board in December 2004 (the "Procurement Guidelines") as such guidelines may be amended from time to time by the Fund . If any provision of the Procurement Guidelines is inconsistent with a provision of this Schedule, then the latter shall govern.	Procurement at National Level follows SOP/PIM, and Provincial Level follows NCDD Finance and Administration Manual.
Para 2	Guidance for the preparation and implementation of the Procurement Plan is provided in the Recipient' s Externally Assisted Project Procurement Manual: Goods, Works and Services, issued under Prakas No. 495 dated August 23, 2005 on Promulgation of the Standard Procedures for Implementing the World Bank and the Asian Development Bank Assisted Projects. To the extent possible, the goods, works and consulting services shall be bulked into sizeable bid packages in such a manner as to permit the optimal use of competitive bidding.	Being complied with

Section	Covenant	Status
Para 3	Before the commencement of the procurement and annually thereafter, the Recipient shall furnish to the Fund for approval, a Procurement Plan as described in Appendix I, paragraph 1 of the IFAD Procurement Guidelines. The Procurement Plan shall specify, inter alia, the method of procurement for each contract to be financed from, and thresholds, ceilings and preferences to be utilized in the implementation of procurement under the Project. The Procurement Plan shall also specify any additional requirements as may be set out in the IFAD Procurement Guidelines with respect to certain methods of procurement. The procurement plan shall be updated from time to time in accordance with Section 3.02 (a) of this Agreement to cover succeeding eighteen month periods.	Being complied with
Para 4	Procurement shall be undertaken only during the Project Implementation Period.	Being complied with
para.5	No procurement shall be undertaken if it entails a payment to persons or entities, or an import of goods, prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations. The Fund shall inform the Recipient of any such persons, entities or import.	Being complied with
Part B	Procurement of Goods and Works	
para.6	The methods which are permitted for the procurement of goods and works are the following: i) Limited International Bidding, ii) National Competitive Bidding, iii) International or National Shopping, iv) Direct Contracting, v) Procurement from UN IAPSO (vehicles only).	Being complied with
Part C	Procurement of Consulting Services	
para.7	The methods which are permitted for the procurement of consulting services are the following: i) Quality and Cost-Based Selection, ii) Single-Source Selection, iii) Selection of Individual Consultants.	Being complied with
Part D	Preference Requirements	
para.8	In the procurement of goods and works from the proceeds of the Grant, the country of the Recipient may be granted a margin of preference as provided in Paragraph 55-59 (Domestic Preference) of the Procurement Guidelines. The Procurement Plan and all bidding documents shall clearly indicate the permitted preference to be granted, the manner in which the preference shall be applied in bid comparison and the information required to establish the eligibility of a bidder for such preference. The nationality of the manufacturer or supplier shall not be a condition for such eligibility.	Being complied with
Part E	Review of Procurement Decisions	
para.9	The award of any contract for goods and works referred to in para 6 above, estimated to cost USD 60 000 equivalent or more shall be subject to prior review by the Cooperating Institution. The aforementioned threshold may be modified from time to time as notified by the Fund to the Recipient.	Being complied with
Part 10	The award of any contract for consulting services referred to in para 7 above, estimated to cost USD 60,000 equivalent or more, shall be subject to prior review by the Fund. The aforementioned threshold may be modified from time to time by the Fund to the Recipient	Being complied with
para.11	With respect to any other contract for goods, civil works or consulting services (Except where para. 4 of Schedule 2 applies thereto), the Recipient shall furnish two certified or conformed copies of such contract to the Fund, together with the analysis of the respective bids and the recommendations for award, promptly after its signature and before the submission to the Fund of the first application for withdrawal of funds from the Grant Account in respect of such contract.	Being complied with
para.12	Before agreeing to any material modification or waiver of the terms and conditions of any contract referred to in para. 9 and 10 above, or granting an extension of the stipulated time for performance of such contract, or issuing any change order under such contract (except in cases of extreme urgency) that would increase the cost of the contract by more than 15% of the original price, the Recipient shall inform the Fund of the proposed modifications, waiver, extensions or change order and the reasons thereof. The Fund, if it determines, that the proposal would be inconsistent with the provision of this Agreement, shall promptly inform the Recipient and state the reasons for this determination.	Being complied with

Appendix 7: Knowledge management: Learning and Innovation

Learning

Routine internal supervision of field activities, as now being implemented in all three provinces, is highly effective in raising the quality and, more importantly, the consistency of services delivered to farmers. To be most effective, such supervision itself needs to be standardized and monitored by higher levels of management and the use of checklist and household records can play an important part of this. The additional costs of such internal supervision systems are relatively small but the impact on quality and ultimate benefits to farmers are high.

Innovation: Describe any interesting innovation noted during supervision

Cooking competitions as a mechanism to promote awareness and behavioural change on early childhood nutrition are being tested. There has been a very enthusiastic response from women in the target communities to the initial events. The cooking events themselves have provided a lively informal space to raise awareness and also the profile and importance of these issues. With the attendance of many small children, babies and mothers they have readily de-bunked the myths that young children and babies do not like the healthy food. Such social marketing approaches and “soft” persuasion techniques should be tested further, both on new aspects of nutrition and potentially in areas such as technology transfer for farmers.