

KINGDOM OF CAMBODIA

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Project for Agricultural Development and Economic Empowerment

Supervision report

Main report and appendices

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Appendices

Abbreviations and acronyms

CARDI	Cambodia Agricultural Research and Development Institute
CEW	Commune Extension Worker
CWCFP	Commune Women and Children Focal Point
DST	District Support Team
FAO	Food and Agriculture Organization of the United Nations
FBA	Farm Business Advisor
FFS	Farmer Field School
GCCT	Group Conditional Capital Transfer
GDA	General Directorate of Agriculture
GRF	Group Revolving Fund
ID Poor	Identification of Poor Household Programme, Ministry of Planning
IFAD	International Fund for Agricultural Development
IGRF	Improved Group Revolving Fund
IRR	Internal Rate of Return
IPM	Integrated Pest Management
MAFF	Ministry of Agriculture, Forestry and Fisheries
MBWin	MicroBanking System for Windows (banking software)
M&E	Monitoring and Evaluation
MEF	Ministry of Economy and Finance
MFA	Mobile Field Agent
MFI	Micro-finance Intermediary
MIS	Management Information System
MoWA	Ministry of Women's Affairs
MST	Mobile Support Team
NCDD	National Committee for Sub-National Democratic Development
NCDD S	NCDD Secretariat
NGO	Non-Governmental Organization
NIPMP	National Integrated Pest Management Programme
O&M	Operation and Maintenance
PADEE	Project for Agricultural Development and Economic Empowerment
PIM	Project Implementation Manual
PDA	Provincial Department of Agriculture
PDOWA	Provincial Department for Women's Affairs
PM	Procurement Management
PSU	Project Support Unit
RIMS	Results and Impact Management System
RULIP	Rural Livelihoods Improvement Programme in Kratie, Preah Vihear and Ratanakiri
TA	Technical Assistance
TOT	Training of Trainers
VAHW	Village Animal Health Worker

A. Introduction¹

1. The goal of the Project for Agricultural Development and Economic Empowerment (PADEE) is to improve the livelihoods for poor people in the targeted communes in the project area of Kampot, Kandal, Prey Veng, Svay Rieng and Takeo. The Project Development Objective (PDO) is to improve agricultural productivity and to diversify income sources for rural households living in poverty in the project area. The project aims to reach 246 communes in 33 districts in the five provinces and 90,000 beneficiary households in total, of which 49,000 households that are expected to benefit from all project key interventions.
2. An IFAD Loan of SDR 11.3 million (equivalent to approximately USD 17.5 million) (IFAD Loan I-870-KH) and an IFAD Grant of SDR 11.3 million under the Debt Sustainability Framework (IFAD DSF Grant No. DSF-8101-KH) were approved by the Executive Board of IFAD in April 2012 for financing PADEE. The Project Financing Agreement was signed and became effective on 8 June 2012. The Project Completion Date is 30th June 2018 and the Financing Closing Date is 31 December 2018.
3. The 2013 Supervision Mission ("the Mission") constituted the first supervision mission of the project and took place as the project had just completed slightly more than one year of implementation (first year of implementation ended in July 2013). It is therefore early to be able to assess project impact and the Mission focused on evaluating whether key project systems are in place to ensure quality of delivery and achievement of project development objectives. The mission held several discussions with project management at MAFF PSU and the key implementation partners (FAO, IDE and SNV), visited all the five project provinces and met with all the provincial implementation teams, as well as with a significant number of direct project beneficiaries. In particular, the mission also made random checks on quality of field farmer training delivery. After 6 days spending in the field (team was split in two) it had to return to Phnom Penh from the field earlier than planned, due to security issues related to the general election.

B. Overall assessment of project implementation

4. Overall implementation has been rated "*moderately satisfactory*" with good delivery in all five provinces. The project implementation teams at central and sub-national levels have quickly reacted to the challenge of implementing a complex project across five provinces and this has translated into most of the targets being met albeit with some shortcomings regarding particular components and activities. Teams are generally in place from national to commune level and most of the critical project equipment and systems will be in place by the end of 2013. While the achievement of output targets and beneficiary numbers is satisfactory and bodes well for the achievement of the project development objectives, the overall rating also reflects concerns about the quality of training delivered so far and increased risks for overall implementation quality in the next two years (more details can be found below).
5. **Accelerated implementation.** The project has been implementing its key activities, namely group formation, first year trainings and conditional capital transfers very quickly, exceeding targets set at design (as per the Project Design Report) and in the cost tables in annex III of the Project Implementation Manual (version July 2012). This has meant that just one year into

1 Mission composition: Nuno Santos (FAO Economist, Mission leader), Nigel Smith (Project implementation specialist), Ben O'Brien (FAO Agriculturalist, Extension specialist), Yoshiko Ishihara (FAO Rural sociologist, Targeting and gender specialist), Blanca Amado (FAO Economist, Monitoring and evaluation specialist), Sakphouseth Meng (IFAD Country programme officer), Yvonne Diethelm (IFAD Programme Assistant), Claudio Mainella (IFAD Financial management specialist). The Mission was joined in the field by representatives of the MAFF PSU Management Team, from Ministry of Women Affairs and representatives of FAO, IDE and SNV as Project Implementation Partners. The IFAD CPM, Mr Khalid El Harizi, provided close support and direction during the whole mission. In particular, he participated in the final stages when the mission discussed key outcomes and next steps with the PADEE management team. Mr Shankar Kutty, Regional Procurement Officer, IFAD, provided inputs in the procurement section of this Aide Memoire, building on the analysis of the procurement transactions over the implementation period.

implementation it has already formed 748 groups with 37,400 beneficiary households, of which 589 have received (or are at the last stages of completing) the first year training and 225 have benefited from the first group conditional capital transfer. In comparison, and according to the initial design, by the end of the second year of implementation the project would have formed only 248 groups, which would be trained and receive the first transfer. At this stage the project already formed 76% of the total IGRFs that are planned. This accelerated implementation is generally positive, signals strong commitment from the project team and also contributes to achievement of development objective targets (namely number of household beneficiaries). However, it has also meant that: (a) all the project preparatory activities for delivery have been compressed (for example preparation of training materials for farmer training and financial literacy training); and (b) the short term implementation schedule has become more challenging given the need to keep beneficiary groups active and the consequent higher number of trainings which is required to run at an one time.

6. **Coordination of the different project implementation partners has proved challenging and needs to be addressed quickly to ensure efficient project implementation.** Some of the key coordination challenges identified include: (i) SNV and MAFF-GDA work on extension materials; and (ii) IDE collaboration with GDA and the PDAs. While coordination has made some progress recently with the MAFF-PSU led monthly meetings there is still much room for improvement. The partnership between FAO and MAFF appear to be working well.
7. Overall the project has made considerable achievements in little more than one year of implementation:
 - (a) motivated teams both at national and sub-national level are in place and increasingly aware of the project's intervention modalities and objectives;
 - (b) formation of IGRFs has started very quickly (currently 748 across all five provinces);
 - (c) a first year land based training package has been developed by MAFF-GDA based on existing materials (includes training on rice with an introduction to fish, poultry and vegetable production).
 - (d) IDE – led demonstrations have made good progress and the FBA network support infrastructure is mostly in place in all provinces;
 - (e) actual trainings of farmers in the first year land based package has advanced in all provinces and is expected to reach around 29,450 farmer households by end of 2013;
 - (f) transfers to IGRFs have started ahead of schedule and this has been supported by very quick development of the required support structures (including contracting of the external service provider for accounting, installation of hardware and data center, hiring and training of Mobile Field Agents (MFAs));
 - (g) gender and nutrition training, which was a condition for the first fund transfer, has been delivered to most of the IGRFs and is scheduled to be completed shortly. The mission acknowledges that MoWA, PDoWAs and DoWAs made special efforts to deliver the training in order not to delay fund release;
 - (h) a design for micro bio-digesters has been finalized and tested with good results and roll-out will start soon in 2014 and 2015;
 - (i) an impact study (RIMS plus) has been contracted and baseline was collected successfully in the first 15 months of project implementation (data are currently under analysis);
8. While there has unquestionably been very good progress in many areas in the first year of project implementation, a number of shortcomings are also noted below. While they create risks in terms of achievement of project objectives (and help explain the current overall project implementation rating), they are also issues that can be addressed. In addition, the supervision

mission noted that there is a good level of awareness by the project team of the need to tackle such problems in order to improve implementation. They include:

- (a) the process that should have led to the development of land-based training packages for first year training of farmers has been accelerated and this has meant that there was no real opportunity to fully incorporate more innovation into the training approaches as per project design. Also the trainings were delivered to groups of 50 beneficiaries, which meant that overall indications in the PIM on this regard were not followed. However, field observations seem to suggest that these trainings have been conducted at reasonable cost and seem to have raised farmer awareness (see below for more details);
 - (b) selection of IGRF members followed the prescribed methodology that combined geographical targeting and village-level participatory wealth ranking. However, project reporting indicates that better-off households were also included in IGRFs (reported figures indicate that the formed IGRFs include a relatively high percentage of members from this category (7%). There is still some uncertainty as to the quality of the data and therefore it needs to be compared with data from the baseline survey and other sources;
 - (c) financial literacy training for the first year was rushed because of the implementation speed and this has meant that (i) conditionality criteria for GCCT approval were interpreted differently from what is included in the PIM and (ii) a quick training was provided to the IGRF committee members (which is considered insufficient);
 - (d) identification of market opportunities outside traditional 'non land-based' income generating activities is somewhat late and needs to be addressed by MoWA-ISU and SNV. The supervision team, however, recognizes that this process may take longer than initially expected given the emphasis given to more market-based alternatives (which move away from traditional non-land based IGAs);
 - (e) while M&E and MIS systems have made progress they are still at their early stages and can only generate limited useful information for project management to take decisions.
9. Given the fast tempo of implementation, the project is entering a critical phase now, as first and second year trainings for a large number of groups overlap and there is need to keep beneficiaries active and interested in project activities to sustain achievement of development objectives. In this regard, the mission has discussed and agreed a number of priority actions with the project team in order to help the project overcome this short term challenge. They are listed in the table below.

Agreed action	Responsibility	Agreed date
IGRFs not yet formed (in new districts and communes) will only be formed in 2015	MAFF-PSU	5 Oct 2013
Land-based capacity building		
Refresher training on improved facilitation skills – short course to improve the skills of the MST & CEW involved providing the remaining first year land based training in dry season 13/14 (for 159 IGRFs). Replacement of the MSTs that did not pass the test with MSTs with a strong farming background.	GDA/PSU	31 Dec 2013
Quick assessment of demand for training (thematics) for the second year packages	GDA lead with support from PSU and PDAs	10 Oct 2013
GDA to dedicate 5 additional staff to PADEE	GDA/PSU	Oct 2013
SNV to hire two specialists for support to rapid development of training packages (one adult learning and one curriculum development specialist) at no extra cost as short term	SNV using accelerated procurement	Oct 2013

consultants		
Draft year two training packages prepared	SNV lead and GDA/DAE to review	Nov 2013
Extension workshop to be held based on draft two year training packages	SNV lead with support from GDA/DAE	Nov 2013
Final year two training packages prepared	SNV lead and GDA/DAE to review with GDA to endorse final packages	31 Dec 2013
Technical monthly coordination meetings started to ensure good implementation of year two training packages	PSU lead and include GDA/DAE/PDAs/iDE/SNV	Oct 2013
Training of at least 100 MSTs on year two training packages completed	PSU/GDA/SNV	28 Feb 2014
Training of remaining MSTs on year two training packages completed	PSU/GDA/SNV	30 May 2014
First batch of year two trainings of common interest groups to be ready to start in early wet season 2014	GDA/PSU/PDAs	30 May 2014
Improved integration of iDE activities into the project through: (i) co-branding, (ii) pilot of including iDE demonstrations within IGRF training and (iii) CAs/FBAs providing short inputs on farming as business within year one and two training packages	iDE/PSU/PDAs	From Oct 2013 onwards
iDE plot close to MST demonstration plots and clear communication with farmers that they are all PADEE supported and are visited during field days	iDE/PSU/GDA/PDAs	From Oct 2013 onwards
Letter providing iDE branch managers with approval to operate with IGRF	PDAs	5 Oct 2013
Non-land based capacity building		
Develop packages/training materials on identified NLB activities, which include lists of potential service providers and an outline of NLB Interest Group (NLB/IGs) identification and formation process.	SNV	30 Jun 2014
Other		
Revised PIM submitted to IFAD including clarification of household targeting issues	MAFF-PSU	31 Dec 2013
Arrangements put in place to delegate the necessary authorities to the Project Manager to limit any disruption to project progress	MAFF	15 Oct 2013
Validate IGRF data by gender and wealth category and submit to IFAD	MAFF-PSU	31 Oct 2013
MIS system finalized and tested	MAFF-PSU	31 Dec 2013
AWPB 2014 incorporating revised schedule approved	MAFF-PSU, MEF, IFAD	30 Nov 2013
WA is raised to release additional funds to iDE. AWPB 2013 revised to increase iDE allocation.	MAFF-PSU, IFAD	15 Oct 2013

C. Outputs and outcomes

Component 1: Improved Access to Financial Services

- Component 1 progress *is satisfactory*. The quality of group mobilization by CEWs with support from PDAs is generally high and quality does not appear to have suffered as a result of the accelerated rollout of the project. Groups met by the Mission typically showed a good common

- bond with many members having a reasonable understanding of their internal governance arrangements and responsibilities of the group management committee and officers.
11. At the time of the Mission, after only 15 months of implementation 748 Improved Group Revolving Fund (IGRF) Groups had been formed (76% versus an end of project target of 984 groups). Of these: 225 groups have received their first conditional group cash transfer (CGCT) of USD 4,000 per group (totalling USD 900,000); a further 131 groups are on track to receive their first CGCT by end 2013 and the balance of the 748 groups in the first half of 2014; 716 groups have received shortened financial literacy training from CEWs; 589 groups have completed their basic farmer training package or their training was on-going (see below).
 12. Group mobilization and trust is notably stronger at this stage than previous IFAD projects (e.g. RULIP, RPRP) which is considered by the Mission to be the result of several factors, including: good selection process for CEWs; good orientation of CEWs to run wealth ranking and IGRF group mobilization processes; inclusion within the group rules of a system of mutual guarantee among sub-groups of five members each; clear written internal rules that have been well communicated, and; simplified responsibilities for the IGRF accountant/leader on financial record keeping. In particular, the internal mutual guarantee requirement combined with conditional capital transfer mechanisms appear to have led to stronger self-selection of potential members into the group from the defined target groups in the villages.
 13. FAO has provided good responsive support to the project and progressed activities well. The service provider managing the Mobile Financial Advisor (MFA) teams has been procured. Twenty MFAs have been recruited and trained (sufficient to service 600-800 IGRF groups), although 6 MFAs will be unutilized until early 2014. All data for the 225 IGRF groups that have received their first funds has been entered into the online Micro Banker (MBWin) accounting systems and the MFAs appear to be working well with the IGRF groups. Spot checks by the Mission of financial data from the MBWin system versus the cash book and bank records of groups visited found a uniformly high level of accuracy. Some minor issues have been reported by FAO and the MFAs, such as incorrect recording of members account number on transaction vouchers. FAO plans to coordinate short additional training in October with the committee members of the 356 IGRF groups due to receive funds in 2013 to address these minor issues and which will be more fully addressed in the main financial literacy training to be implemented soon. Moreover, MFA reports to groups should be available in local language, which combined with financial literacy training is expected to contribute to greater transparency and good IGRF performance. Finally, it is recommended that a joint MAFF-PSU/FAO audit team with clear protocols is set up to check on detailed IGRF performance. In this regard, FAO already produced a first check list of criteria for IGRF audit which should be finalized and incorporated into the audit protocols.
 14. Only the procurement by the MAFF-PSU of the service provider for the main financial literacy training has been delayed. In response, as a temporary measure to allow the first cash disbursements to IGRF groups to proceed, FAO provided cascade training to CEWs on basic financial literacy training which the CEWs then delivered in one day trainings to all IGRF members. Procurement of the service provider for the main training is expected to be completed in the coming weeks and the main financial literacy training is planned by the project to begin either in Q4 2013 or Q1 2014 which should bring this activity back on track.
 15. Conditionality for the first and second disbursements to groups has been applied in reverse order to accommodate the delay in the financial literacy training. Consequently, completion of farmer training is now a key criterion for the first disbursement, while financial literacy testing is now a condition for the second disbursement. The PIM will need to be updated to reflect the revised conditionality criteria.
 16. One area of potential concern for group sustainability is to avoid IGRF groups being “guided” strongly by project staff or managers on issues such as loan maturity, purposes of loans to be favoured, timing of loan applications or similar issues. The sustainability of the groups depends

to a large extent on the members' sense of identity and ownership of the group and its assets. The project therefore needs to avoid leading the group in particular directions, but rather to facilitate groups to make their own decisions within the scope of their own internal rules and regulations. In this context, the project should re-clarify with all groups that loans can be used for land-based as well as non-land based investments by members and also that timing of borrowing and loan maturity are also the member's choice.

17. Fund transfer to groups is being done by cheque in USD which is inefficient, causing accounting problems in the groups and not in line with the PIM. This could be improved by reverting to the designed approach of use electronic transfer in Riel and additionally with the exact date for the transfer recommended by the relevant MFA based on important administrative readiness tasks having been completed for the IGRFs.
18. Studies under Component 1 have not yet been started and need to be progressed covering the three areas of: a) survey of status of pre-existing GRF groups in project areas; b) Review of rural access to finance in Cambodia and impact of MFIs; and c) study on the interaction of IGRF groups and savings-led finance groups within project areas. The first of these studies will also provide a basis for the project to begin engagement with the pre-existing GRF groups as expected under Component 1.

Component 2: Improved Access to Technology and Markets

19. Overall progress on the component was *moderately satisfactory* mainly as a result of good progress in quantitative implementation of trainings (mainly sub-component 2.2 in regarding land based capacity building) combined with shortcomings on key preparatory activities and processes which are vital to ensure high quality training delivery (sub-component 2.1) and delays in implementation of non-land based activities under this component.
20. **Sub-component 2.1 - Support to innovation in capacity building is moderately unsatisfactory.** This sub-component focuses on both land-based and non-land based training package development and knowledge generation for improvements to capacity building approaches. It is expected to be the result of collaborative work between SNV and MAFF-GDA for land-based training packages and SNV and MoWA for non-land based capacity building.
21. **Key achievements in support to innovation in land-based capacity building mainly include the rapid development of training packages and the implementation of training of trainers (TOT) as preparation for farmer training:**
 - (a) a first year land based training package has been developed (includes training on rice with an introduction to fish, poultry and vegetable production) and validated in two separate workshops. It was developed by MAFF-GDA with comments from SNV. In addition, a business planning module for farmers was developed and included in the training. Some savings have been identified in the land based trainings, mainly due to the increased efficiency of delivery of the first year trainings;
 - (b) Master Trainers (from PDAs) had their skill sets improved, 181 specialists were identified and trained (in 6 batches of 2 month long TOT sessions) to form the Mobile Support Teams, and training was provided to 386 CEWs;
 - (c) CARDI supplied 550 kg and 450 kg of certified and foundation seeds respectively to GDA for commercial seed production. GDA in turn supplied 60 tonnes of commercial seeds for demonstrations. GDA also installed seed processing and drying equipment in five research stations to improve the quality of the commercial seed;
 - (d) Five interns in place undertaking research on fertilizer use in field experiments designed by CARDI and GDA (results expected at the end of 2013).
22. However, the performance of this sub-component has not yet met the expectations as per the project's design, and raises concerns regarding adoption rates by farmers which are a key part

of the results chain leading to the development objective of increased productivity. Overall this was mainly a result of the fast pace of implementation and lack of adequate initial level of coordination between SNV and MAFF-GDA (which the mission recognizes is improving at present) and more specifically due to the following:

- (a) The design included a robust mechanism for the development of the first set of training packages, which included the gathering of Cambodian extension experiences, the creation of extension working groups for the various topics, and an initial project extension review workshop (planned now for Nov 27-28th, i.e. more than one year after project effectiveness) and the inclusion of innovative extension approaches, none of which have yet happened;
 - (b) Having 50 participants in the training classes has limited the ability for the MSTs to implement facilitated learning, and has been universally identified as a key weakness;
 - (c) Training materials designed have good technical content but field visits conducted by the mission raise concerns on some of the knowledge transfer approaches used: for example the widespread use of text on flipcharts is not suitable for illiterate participants and there is little evidence of the use of facilitated learning techniques such as the use of subgroups for problem solving in the theoretical parts of the training or the use of learning plots (as opposed to demonstrations);
 - (d) The scheduling of some of the trainings and demonstrations was not in synchronization with the cropping season (partly due to delays in supplying training inputs and completion of training of trainers), hence participants were not easily able to practice what they were learning in their own fields.
23. Furthermore, some activities on support to innovation in capacity development are yet to make concrete progress such as the training needs assessment of a sample of project communes (consultant is currently being recruited) and grants for innovation in capacity building are yet to be awarded (the TOR and EOI for one grant has been prepared).
24. **The performance of this sub-component in the coming months is critical for the project**, as a large number of the first year trainings will be completed by year end, and these groups now require the year 2 interest group trainings, for which the critical input required is quality training materials. According to the project design the second year trainings should emphasize practical application of knowledge by farmers. To maintain a relatively constant interaction with the groups it was agreed that first of these trainings should be implemented in the wet season 2014. For this to occur the training themes need to be determined, the packages (including the delivery mechanisms) need to be developed, training of MSTs needs to be undertaken and groups need to be surveyed to determine the trainings in which they would like to participate. The PSU has agreed that it will make an initial survey (using the PDAs and CEWs) of the interest in various training themes. It was agreed that the GDA would engage 5 staff to be dedicated to working on PADEE, ideally these would have technical skills from various sectors (rice (2 staff), livestock, fisheries, vegetable) and become the GDA focal points for the production of the second year training packages and subsequent quality assurance of the training programme. SNV have agreed to hire a short term adult learning specialist and a curriculum development specialist to ensure that packages are ready for starting MST staff training in January 2014.
25. **Implementation of activities in terms of support to innovation in Non-Land Based (NLB) capacity building needs to be accelerated.** The MoWA-ISU completed a study on existing NLB activities in the project provinces and is currently finalizing the report. The questionnaire-based survey targeted established IGRF groups, and inquired availability of the raw materials, whether the products are currently sold or not, and interests of IGRF group members. Part of the cause for slow implementation has been the late signature of the SNV agreement with RGC following project effectiveness. As such the development of NLB extension packages has not

- yet initiated, nor has a workshop on non-land based capacity building been organized. SNV's support on NLB to date has focused on supporting the MoWA-ISU for designing and conducting the above-mentioned study.
26. The mission acknowledges and supports the MoWA-ISU's decision not to proceed with formation of NLB Interest Groups (NLB/ISs) and training provision until there is clarity on types of NLB activities and training materials/extension packages are completed. It was agreed that market opportunities are the single most important factor for selecting NLB activities to be supported by PADEE with a view to focusing the project's support on the products and services which are economically viable and provide sustained income streams to the beneficiaries. In other words products and services which are currently provided by the project target and/or of their interest will not be supported unless there is clearly a wider marketing opportunity. The information gathered from the above-mentioned survey of established IGRF groups on non-land based income generating activities currently being practiced by members has therefore to be complemented with analysis of market potential and identification of buyers.
27. The project should support new NLB activities if these are attuned to existing or emerging market demand and suitable for the target beneficiaries to take up: for example, agriculture products which are not covered in the land based packages, such as mushroom production, may be considered if there is a promising market. In addition, facilitation of villagers' access to formal employment opportunities outside the agriculture sector is within the scope of project support in relation to the NLB activities. The result of the aforementioned MoWA study does not shed light on the demand side of potential NLB activities. PDoWA/DoWA staff's perception about NLB activities seem to focus on the traditional activities for women which they are familiar with. It is therefore agreed that SNV's support on NLB will give priority to the demand aspect of NLB, and that the training package will include capacity building of PDoWA and DoWA staff.
28. **Sub-component 2.2 - Applied training and capacity building** is *moderately satisfactory*.
29. The main target for the project on applied training and capacity building is *"70% of trained farmers still adopt recommended technology and/or report increased expenditure on inputs two years after project intervention"*, which is to be achieved by the training of *"49,000 beneficiaries trained in first and second year packages by PY5"*. Against these targets about 30,000 beneficiaries have completed (225 training groups) or are currently participating in (364 groups) the first year training package. Given the very short time period since project start, this is a very good achievement and shows great enthusiasm and dedication by staff both at national and decentralized levels.
30. Discussions with national and provincial staff and field observations suggest that there is scope for improving the quality of the first year training package for the remaining 159 IGRFs in the training pipeline (which will start first year training later this year). Two key improvements agreed are to: (i) split the IGRFs into two training groups of 25, to be facilitated by 1 MST and 1 CEW and (ii) provide a short intensive refresher training on facilitation skills for the MST staff involved (approximately 81 trainers). This will require ensuring that additional training materials and inputs are available for the doubling of the training groups. Moreover, it was agreed that the IGRFs not yet formed (in new districts and communes) would be formed in 2015 as there is now a very large number of second year training to be delivered in 2014 which will fully engage the existing MSTs.
31. Implementation of iDE-led activities is overall on-track with their implementation network in place in each of the 5 provinces to the level of commercial agronomists and have selected several Farm Business Advisors (FBAs) from groups of farmers associated to demonstration plots to operate in the project area. However, contracting of FBAs has been temporarily suspended pending clarification of the role of FBAs in relation to IGRF groups, which has been resolved during the mission.

32. iDE commercial agronomists (CAs) have set up 57 demonstrations of new technology (rice production with good quality seed, drum seeder and deep placement fertiliser). Results of the 37 completed demonstrations show encouraging yield and income increases of 24% and 115% respectively over farmer's practice (for a small increase in input costs). These early findings combined with the promising results the mission found in demonstration plots implemented by the MSTs (for example in Kampot 44% yield increases were reported when compared to traditional farmer practice) are very encouraging for achievement of the project's productivity improvement targets (although this will depend on adoption rates).
33. There is considerable scope to increase the visibility of iDE technology through the trainings, and it was agreed that for the dry season trainings scheduled to start in October, iDE FBAs or CAs would implement field demonstration plots adjacent to the main MST led demonstration plots, as well as provide a training sessions on farming as a business. The relationship between iDE and the PDAs was variable and the mission recognized there is need for greater coordination of activities (for example in Prey Veng there were misunderstands by the PDA on the technology (and the associated costs) of the iDE packages). The mission finds that both demonstrations types provide valuable knowledge to farmers (and could be adopted by different farmers depending on their risk profiles). It has therefore been agreed that the different types of demonstrations be clearly identified as PADEE financed (with PADEE logo) and providing alternatives for adoption of improved technology from which farmers can choose from.
34. While iDE activities are progressing well, there is scope for improving iDE's integration into project activities, not only through more cooperation at provincial and national level but also communication activities. The latter includes, for example, mentioning PADEE in iDE communication materials (such as demo plots) and joint communication activities at PDA and national level.
35. **Farmer training** was initiated using the package developed at project start which is largely based on existing MAFF materials (see sub-component 2.1). Discussions with project staff and field observations suggest that demonstrations are of satisfactory quality and most importantly the level of participation in trainings appears to be generally good. While the MIS system to track attendance rates is still under development, reporting by CEWs indicates above 70% attendance. This seems to be the result of a combination of factors including the linkage of the first group conditional capital transfer to the completion of the training package, quality technical content, and a number of people who were actively encouraging participation (CEWs, Commune Councils and gender focal points). Systems for monitoring of these trainings are in the early stages of deployment and at this stage there is no data on adoption rates. Observations from the field were generally positive in that farmers, particularly for rice production, had raised awareness for several key technologies, such as improved land preparation, selection of quality seed, single seed transplanting, while in a number of groups some participants were adopting the chicken and fish technologies. However a number of weaknesses were identified in the current training approach that need to be addressed, including: class size (presently 50), synchronization of the trainings with the cropping cycle (for rice), monitoring and supervision, relevance (some IGRF members have no paddy), and the delivery mechanisms, particularly for illiterate farmers.
36. The use of implementing partners in this project is a very new modality of operation; both for government and the partners, and the relationships are still developing. To assist in this process, specifically for Component 2 where there are a large number of partners (PSU, GDA, iDE, SNV and 5 PDAs) it was agreed that a monthly technical coordination meetings (focusing only on land-based trainings) be conducted while the critical elements of the second year trainings are under development. This is in addition to the existing project management monthly meetings led by the MAFF-PSU. It is also recommended that joint field monitoring should be undertaken as much as possible and that communication of project sponsored activities by different partners should seek to build a joint PADEE team approach.

37. **Gender and Nutrition Training.** As of 31 August 2013, gender and nutrition training has been provided to most of the 748 IGRFs established (676 group completed gender awareness module; 588 completed nutrition module). The training is currently continuing for the remaining IGRFs and expected to be completed shortly. Attendance rates were reported to be nearly 100% in all provinces. Interviewed IGRF members had relatively good memories of the topics covered in both gender and nutrition modules. However, there is little evidence that the one-day training (a half day for each module) did actually lead to any important behaviour changes among the participants. No follow-up or monitoring is undertaken by DoWA staff or Commune Women and Children Focal Points (CWCFFPs) as to assess adoption of the training messages and there is a felt need for a tool to assess and monitor behaviour changes of IGRF group members on gender relations and family nutrition, especially for infants.
38. **Sub-component 2.3 – Small rural business development** is *moderately satisfactory*. The component has three main elements: (i) rural business development services; (ii) rural business stimulus facility and (iii) support for bio-digesters. The sub-component is in its early stages as expected. The main progress to date is on the pro-poor bio digesters and some preparatory work on rural business development services.
39. The SNV led pro-poor bio digester sub-component has made good progress. It has a full project target of having 4,000 pro-poor bio-digesters constructed and operating by end 2015. To date, low cost designs have been developed and pilot plants installed (including: concrete ring, floating drum, plastic bag designs). Field data is being collected for the associated feasibility study and the consultant has been recruited.
40. For the Rural Business Development Services, SNV has begun the procurement process for the market opportunity studies that will inform the Rural Business Stimulus Facility. The mission supports SNV's proposed approach of orienting the studies towards a set feasibility studies of specific small business opportunities linked to the products around which farmers have shown greatest interest through the training needs assessments. These feasibility studies will be completed in Q4 2013 and Q1 2014 so that the business opportunities judged to be credible can be presented to the most dynamic and interested common interest groups within the Year 2 farmer training packages. The mission notes that many of the small business opportunities likely to be of relevance to PADEE farmers are already reasonably well understood – for example building on the long standing expertise of IRRI in production and post-harvest service business for rice or AVSF in establishing local private animal health service businesses. This existing knowledge should make a strong starting point for the feasibility studies.
41. **Agreed actions** regarding the different components (in addition to those listed in section B) are detailed below.

Agreed action	Responsibility	Agreed date
Component 1		
FAO to provide additional guidance/ training to PDA staff to raise understanding of proper functioning of groups, accounting practices, mutual guarantee and other aspects of IGRF operation and roles of PDA and Commune council in relation to IGRFs.	FAO	Nov 2013
Unutilized MFAs (approx 6 people) to be contracted as Interns attached to active MFA until they begin actual operations themselves (paid for by PSU)	PSU with FAO and MFA service provider	Oct 2013
Conditionality for Group Conditional Cash Transfers and Transfer Readiness Tasks to be updated in PIM as per the agreed revised conditions shown in the Annex to this Mission Report	PSU	Oct 2013
Fund transfer to the IGRF groups to be only by electronic bank transfer in Riel and with the exact date for the transfer recommended by the relevant MFA based on important administrative readiness tasks being completed	PSU	Oct 2013 onwards

for the IGRFs (see Annex for detailed readiness tasks)		
The three studies to be initiated and completed as per the contract agreement	FAO	Nov 2013 onwards
Audit team for IGRFs set up and protocols approved	FAO/MAFF-PSU	31 Jan 2014
Component 2		
Land based capacity building (see section B above)		
Non-land based capacity building		
Carry out a Market/Employment Opportunities Scan in each province to identify potential activities (MoWa to participate in field work); organize provincial NLB workshops to share and validate the findings; conduct NLB national extension workshop	SNV	31 Dec 2013
Start training PDoWA and DoWA staff to improve their understandings on NLB activities and to support NLB/IGs group identification and formation	MoWA-ISU	28 Feb 2014
Recruit service providers for the first batch of NLB/CIGs to be trained	MoWA-ISU	31 Aug 2014
Conduct the first round of NLB/CIGs training (about 80 in total)	MoWA-ISU hired service providers	31 Dec 2014
Gender and nutrition training		
Develop a simple tool to monitor and assess adoption of gender and nutrition messages; field test the tool; and organize TOT for PDoWA and DoWA staff.	MoWA with inputs from RULIP nutrition consultant and gender consultants	31 Dec 2013
Train CWCFPs on the use of the assessment/monitoring tool.	PDoWA and DoWA	28 Feb 2014
Review results of the field assessment and RULIP experience on gender and nutrition and include improvements for next round of trainings (2015)	MoWA-ISU	30 Sep 2014

D. Project implementation progress

Project management

42. **Project management performance** is *moderately satisfactory*. The rating reflects several factors:
- (a) good performance in setting up project teams at all levels and very high level of commitment by the national and provincial staff;
 - (b) need for better coordination with PIPs both at national and provincial levels and clearer joint communication of project activities and achievements;
 - (c) higher short term instability risk regarding senior project leadership as this week the Project Director for PADEE left his role. RGC needs to urgently appoint a new Project Director in consultation with IFAD. In the interim, arrangements need to be put in place to delegate the necessary authorities to the Project Manager to limit the disruption to project progress. Overall there is need to quickly ensure that project teams can be kept including key staff at MAFF PSU, which has good ownership and knowledge about the project and has experience with IFAD-supported projects;
 - (d) significant confusion regarding the final version of the PIM, which needs to be immediately addressed through a thorough revision of the document. This includes correcting contradictory statements on schedule of groups to be formed (should state clearly the new schedule), targeting of beneficiaries and conditionality criteria.

43. **Planning, monitoring and evaluation** is *moderately satisfactory*. Despite delays in the development and implementation of the M&E and MIS systems, significant efforts have been made since the beginning of this year to speed up the process and meet the expected targets by the end of 2013. Major milestones achieved so far are: (i) completion of M&E staff recruitment at national, provincial and district levels; (ii) M&E framework designed and action plan developed for all PIPs; (iii) main project impact study procurement completed, baseline survey outsourced and data collection finalized (iv) standard formats for reporting developed and staff training ongoing; (v) MIS specifications developed; and (vi) Micro-banker system setup completed with required hardware and software at MAFF.
44. However, the mission has identified a number of issues that need to be addressed in order to ensure a successful and timely implementation of the PADEE M&E and MIS systems including: (i) implementation of the annual surveys, (ii) improvements to reporting, (iii) more efficient and systematic delivery quality monitoring, and (iv) completion of MIS software implementation. Overall, there is still a significant focus on collecting information and there is need to simplify the system and orient it towards analyzing data and providing useful indicators for project management to steer the project towards achieving its development objectives.
45. **Annual surveys.** A methodology for the annual surveys of project beneficiaries has not yet been agreed by the national M&E team. These annual surveys are expected to collect data from a small sample of households (approximately 35 per province; with possibly more than 40 in Takeo and Prey Veng where more communes are targeted) randomly selected amongst those used for the baseline survey. The annual survey is not intended to be representative or measure impact (there is no control group), but to quickly provide useful information to project management on achievement of project intermediate outcomes, such as technology adoption and increases in yields. The survey should follow a panel format to make the results comparable over time.
46. **Training on reporting formats.** Standard formats for district M&E monthly reports and quarterly reports for PA/PDA have been developed but can still be improved. PDA/PA M&E staff and CEWs have received an initial orientation session on the use of the new formats and further trainings are planned for October 2013. PDA M&E officers are already receiving support and guidance by the M&E advisors at the provincial level. However, capacities of provincial and district planning and evaluation officers are very limited and they need additional support from MAFF-PSU.
47. **Quality monitoring of farmer trainings (including first year land-based training).** The project team has reported capacity limitations for monitoring implementation by PDA technical officers. This issue is being addressed with the development and roll-out of TM2 with support from SNV, to be filled out at on a regular basis for training packages. However, the mission is concerned that the number of GDA staff currently working for PADEE is not sufficient to carry out this task systematically, and that PDA staff, who are already conducting spot checks should have their capacity increased to undertake this task. Therefore, the mission recommends that GDA maintains the overall responsibility for ensuring the quality of the on farm training program through the provision of oversight and formal and on-the-job (through joint visits) training to PDA technical officers on quality assessment, so that PDA staff can also fill out the TM2 during their random spot checks. In addition, the current TM1 and TM2 forms developed should be revised to ensure that they are providing useful information to assess the project's results chain.
48. **Logistics at district level.** Procurement delays on project materials and equipment for provincial and district staff has complicated the delivery and processing of monthly reports. In addition, district planning and monitoring officers have reported that work overload and time constraints prevent them from being present in all training events to validate the CEWs' feedback on training sessions.

49. **MIS.** MIS has not been developed and implemented by the 3rd quarter of 2013 as planned. Nevertheless, specifications have already been completed by the international MIS specialist recruited on the first semester of 2013. The system is comprehensive but should be simplified and more focused on measurable indicators. It should also incorporate information on loan performance and use of funds recorded in the MB-Win DB for the Micro-finance component. Since the system has not yet been developed, there is an opportunity to simplify and upgrade it, which will require testing of the different modules that have been designed. In line with project specifications, the MIS will rely on CEW reporting at field level to track attendance and outputs delivered through use of mobile devices. Technology considerations that have been put forward by the project MIS team may require testing before full implementation in order to ensure that they are adapted to reality in the field. Extensive training of CEWs is also required in 2014. Since the procurement process for a MIS programmer contract has not started yet and since the current MIS system developer could also perform this task, it was recommended to extend his contract to also include the programming of the MIS (including mobile phone application) and the training of project staff at national and sub-national level through appropriate cascade training.
50. ID cards for IGRF members have been designed although not yet implemented. The ID cards should contain the household identification number, to facilitate MFAs' online record keeping. In addition to the PADEE ID cards, MFAs will also be distributing individual loan cards with essential IGRF member account and loan information to be entered in the field each time a loan transaction takes place.
51. **Poverty focus** is *moderately satisfactory*. The project's design addresses strong poverty focus, especially in terms of the target, technology options and methods of training delivery. As to the target, the PIM defines them as those who belong to the poorest, poor and medium poor households (page 5, para 33). The project data on IGRF membership is disaggregated into three categories: smallholder farmers (which includes both the poorest and the poor of the PIM), medium farmers, and better-off farmers. The MAFF-PSU data included a better-off category, which is not considered a project target in the PIM or PDR. The data does not seem accurate in view of that provincial data are not reliable and some are only estimates, and there appears to be some confusion with model farmers. While mission field work indicated that poverty ranking was conducted appropriately there is need to validate the beneficiary numbers currently provided by the project M&E/MIS system.
52. **Gender focus** is *satisfactory*. Project staff in MoWA-ISU and PDoWAs have been assigned, trained and aware of their responsibilities on gender related aspect of the project. Delivery of gender and nutrition graining has managed to catch up with the accelerated speed of IGRF formation, and will complete shortly for all established IGRFs. All CEW teams comprise one female and one male in compliance with the project design. Although the comprehensive data was not available, field observations suggest that a rule to include at least one female in the three member IGRF committee was observed. In terms of the IGRF membership, women's representation is over 62% at the project level, according to the MBWin data. All provinces exceeded the project's target of 50%, with Kampot recording the highest percentage of female members in IGRFs (74%). Women's participation in FFSs is also satisfactory. Women are equally well represented among the borrowers (over 60% according to the MBWin data). It is noted that in some provinces consolidated IGRF membership data does not seem to exist in the M&E system, and gender disaggregation appears inconclusive.
53. The mission is of the view that MoWA's decision not to proceed with group formation and training provision pending a clearer definition of NLB activities was a sensible one, and arguably reduced the risk of creating and supporting unsustainable NLB Interest Groups.
54. There was a delay in recruitment of gender consultants due to procurement challenges that the MoWA-ISU faced. Outputs from this consultancy (Gender Action Plan, Stocktaking of Gender Mainstreaming in Agriculture, and Assessment of Drudgery Patterns) are expected to inform the project implementation in relation to gender aspects. The mission is informed that selection process is currently underway and the consultants are expected to start the work shortly.

55. **Targeting** is *moderately satisfactory*. The project targeting approach comprises geographical targeting (pre-selection of poor communes and villages according the poverty data) and participatory selection of poor households at the village level. Field observations confirmed that participatory wealth ranking was conducted either using the four wealth categories described in PIM and/or consulting the village ID Poor record. Importance of members' willingness, capacity and commitment to observe rules was also clearly explained at the village meeting. After an initial list of potential households was prepared and agreed upon, CEWs in cooperation with other commune level project staff, visited all households for verification. The mission acknowledges that the targeting approach itself was effective and followed according to the design, but a lack of clarity on inclusion of better-off households raises some concerns. The mission is also concerned that the data on project beneficiaries is not adequately collected and compiled. The existing IGRF data by wealth criteria does not seem fully consistent. (see above for recommendation on urgent need for validating beneficiary data using multiple information sources).
56. **Knowledge management** is *moderately satisfactory*. The project already has a Facebook page which is updated regularly with contributions from project staff. There have also been communication actions regarding project achievements through several interesting media initiatives. However, the project is still at its early stages and there is room for improvement once the project webpage is finalized and systematic information from the M&E system starts being analysed and communicated more widely. In particular, this is also expected to result from the different studies and surveys under the responsibility of the MAFF-PSU M&E team and also SNV as part of component two (such as the qualitative review of applied training approach and surveys of beneficiaries).
57. **Partnerships** are central to the project implementation modalities with FAO, iDE and SNV as implementing partners alongside MAFF, MoWA and the sub-national agencies. At the same time PADEE is the first RGC-IFAD project to adopt such a partnership approach from the outset and so there is a lot of learning happening on how to gain the most value from the partnerships.
58. The partnership between MAFF and FAO has arguably got off to the strongest start. The strong progress on the important practical activities under FAOs responsibility as well as the clear value added to the project have provided the foundation for a good partnership. The FAO team also appears to have been very responsive to emerging issues in the project and requests from the MAFF teams. This partnership provides a role model for the other partnerships in the project which have been slower to grow.
59. **Main agreed actions** are detailed in Section B. Additional detailed actions are shown below:

Agreed action	Responsibility	Agreed date
M&E/MIS		
Finalize annual survey methodology and formats	MAFF – PSU	31 Mar 2014
PDA staff trained in annual survey data collection	MAFF - PSU	31 Aug 2014
Annual survey data collected and analyzed	MAFF-PSU /PDA	31 Dec 2014
Continue trainings to sub-national M&E team	MAFF – PSU	01 Oct 2013 onwards
Organize refresher training on reporting formats	MAFF – PSU	31 Mar 2014
Monitoring of training quality: GDA provides initial on-the-job and formal training to PDA technical officers on training quality assessment (TM2)	GDA/SNV	30 Nov 2013
Monitoring of training quality: TM2 is included in the MIS	MAFF – PSU	31 Dec 2013
PDA and district staff are fully equipped for the next reporting period	MAFF-PSU /PDA	31 Oct 2013
District planning and monitoring officers carry out training spot-checks	PDA	30 Sep 2013
Work with FAO to link with Micro-banker system and feed info on loan performance and use of funds directly into the	MAFF-PSU /FAO	31 Dec 2013

MIS		
Complete work of MIS system development and deliver trainings to sub-national level staff	MAFF – PSU	15 Jun 2013
Extend the contract of the International MIS specialist for another six months to : (i) do programming of MIS system developed (until end Dec 2013) and (ii) train project staff at national and sub-national level	MAFF-PSU	15 Oct 2013
Restructure the contract of the International M&E specialist so that the five months left in his contract (for 2014-15) are anticipated to end 2013-beginning 2014. The opportunity of a further extension of his contract will be evaluated at the next supervision mission	MAFF-PSU	15 Oct 2013
Extend the contract of national MIS specialist to take the role of MIS database and web page manager	MAFF – PSU	15 Aug 2014
ID card format agreed and cards printed	MAFF-PSU /FAO	1 Nov 2013
Assess TM1 and TM2 implementation and revise as required	MAFF-PSU/SNV	28 Feb 2013

E. Fiduciary aspects

60. Financial management is *moderately satisfactory*. Financial management (FM) of PADEE appears to be generally solid: all FM functions are well linked and correlated from budgeting to accounting, reporting and flow of funds. No audit has been performed to date as the project is in its first full year of implementation. The internal control environment is mostly adequate: there is a well-established division of duties supported by sufficiently solid procedures and systems.
61. The finance unit of the project appears to be adequately staffed and the only recommendation is to the set-up of a performance based evaluation system to assess and validate the performance of staff. Financial transactions are recorded timely at all levels and the established chart of accounts allows adequate details for correct exposure of information in financial reports. Transactions are prepared by accounts and approved by the Finance Officers based on original supporting documentation. On a monthly basis, all provinces transmit financial reports and detailed ledger to the PSU for consolidation; the PSU prepares consolidated semi-annual reports and will prepare the first set of annual financial statements as at the end of 2013.
62. The accounting software (Peachtree) installed at PSU and in all the provinces but not at MoWA, is a double entry bookkeeping system which generates clear budget and financial reports. At PSU the software has been customized to satisfy internal and IFAD requirements and is regularly backed-up in a safe way. All 14 bank project accounts are installed in Peachtree, the only missing are the DAs for IFAD and RGC. Peachtree has 7 different cost centres for all the project units but not a cost centre for consolidation of all project data that currently is done using excel. There is no password protection and networking in place. The mission recommends to link all the workstations to allow real time information available at all levels to avoid the risk of loss/corruption of financial data and inclusion of the DAs among all other bank accounts managed by the accounting software. The mission also recommends the set-up of cost centre for consolidation purposes, a password system in all workstations and assessing the opportunity for a further customization of the system to avoid the possibility to input backdated transactions. The mission recommends the installation of Peachtree also at MoWA. Additional suggested software customizations include the automatic generation of withdrawal applications.
63. **Budgeting.** The 2013 budget preparation has been completed using COSTAB values and discussing draft versions with stakeholders and PIPs. However, considering the limited degree of implementation, 2013 budget appears to be over ambitious. The 2013 budget allocation for IDE, was not in line with the contract requirements (allocated USD 274,640 against a contract

budget for year 1 of USD 408,060), which brought iDE to a cash-flow stress situation for the implementation of project activities. The mission recommends the release of an additional extra-budget advance to iDE before the end of 2013 by raising a specific withdrawal application to this effect. The new allocation will be included in a revised AWPB 2013 to be communicated by the Project Manager to IFAD, for the record. In terms of execution, as at 31 August 2013, approx. 38% of the annual budget has been disbursed (USD 4.08 Million out of an approved budget of USD 10.78 Million). As some major procurement activities are ongoing (purchase of 11 vehicles, provider for the financial literacy training), the forecasted overall budget execution for 2013 is estimated at 60-70%. For 2014, the mission recommends to increase the efforts to prepare a more pragmatic budget to avoid the commitment of financial resources which then remain unused.

64. **Contract management.** Contract monitoring forms are maintained for some suppliers, but not for the three PIPs. The mission recommends the prompt set-up of all the remaining contract monitoring forms. The three contracts with FAO, SNV and iDE have a cumulative value of approx. USD 6.4 Million, while the IFAD allocation under the financing agreement Cat. VII is SDR 3.32 Million, equivalent to approx. USD 5.1 Million. and SDR 140,000 (approx. USD 215,000) to IFAD for activities under Cat.VI. The residual financial gap, estimated in approx USD 1,000,000 may be covered by a portion of the project's unallocated funds. The mission recommends close monitoring of disbursement considering that project's unallocated resources shall not be used before MTR.
65. **Project Implementation Partners (PIPs).** PIPs are tasked with the implementation of various project's sub-components, representing approx.15% of all project activities in terms of financing. The mission visited the offices of FAO, SNV and iDE to discuss financial management arrangements in place for the administration of PADEE activities. In all cases the financial management appeared to be sufficiently solid to allow a correct administration of IFAD/Project resources.
66. **Disbursement** is *satisfactory*. As at 31 August 2013, the overall project's disbursement percentage was at 14.65% (USD 1.46 Million for the loan and USD 3.67 million for the grant). This is in line with criteria adopted for the PPR exercise in 2013 which for this typology of projects foresee a disbursement of 11% in year 1. The satisfactory level of disbursement is due to the release of the first advances for the loan, the grant and to PIPs.
67. **Designated account and SOEs review.** Overall the mission noted that acceptable FM practices are applied both at the central and decentralized level (the mission visited the Kandal provincial office) and the overall management of the DAs is in line with adequate practices. The mission recommends the introduction of a monthly reconciliation exercise also for the DAs. Bank reconciliations will need to be printed out and signed off by Finance Officers and the Project Manager on a monthly basis. During the period under review 4 withdrawal applications (WAs) for the loan and 5 for the grant have been submitted to IFAD. All of them were disbursed by IFAD with no reductions in the period from October 2012 to June 2013. The mission executed SOEs test on all 9 WAs in accordance with the new operational procedures. The WAs passed the test in terms of supporting documentation, correct categorization, accuracy in preparation and eligibility for funding.
68. **Counterpart funds** value and timeliness is *satisfactory*. Counterpart financing provided by RGC in the first eight months of 2013 represents 59.65% of the annual contribution, in line with the annual commitment. The mission recommends follow up actions with RGC authorities to ensure the matching of the annual actual contribution with the annual budget commitment. The total RGC cash contribution from the start of the project to 31st August 2013 represents 22% of the total RGC commitment to the project.
69. **Compliance with loan covenants** is *satisfactory*. Almost all loan covenants are being complied with except for the late submission of the AWPB for 2013. As stated in the General conditions under Section 7.01 (b) (II), the draft AWBP shall be submitted to the Fund for

- comments no later than sixty (60) days before beginning of the relevant project year. Instead the draft AWPB has been submitted to IFAD on February 2013.
70. **Procurement** is *moderately satisfactory*. Project's procurement activities are initiated by the Procurement Unit staffed with one Procurement Officer shared with RULIP and two Procurement Consultants hired to allow the preparation of multiple tenders in parallel.. The project uses RGC Procurement Guidelines, similar to the IFAD's Procurement Guidelines which are mostly used to supplement areas of RGC's Procurement Guidelines not fully developed (in line with LtB requirements). The mission reviewed the procurement plan and the contract monitoring forms, while for the procurement of goods the time schedule was indicated, the table listing the procurement of services did not indicate any time schedule.
 71. During the period under supervision various procurements have been completed or are on-going. The mission reviewed the bidding documentation for the Impact Assessment Study (finalized) and the documentation for the procurement of a service provider for the Financial Literacy Trainings (on-going) and found them complete, in order, readily available. As far as the bidding for the Financial Literacy Trainings in concerned, the Fund declined the recommendation as the assessment and evaluation was found to be inconsistent with the provision of the tender which resulted in an infringement of the principles of procurement as referenced under our Procurement Guidelines. The errors or non-clarity in the bid document resulted in the unfair disqualification of bidder. The Fund recommended a rebid and this was accepted by the Project and RGC. The technical and financial evaluations have been submitted now and no objection has been provided to these. The mission recommends further improvements in the procurement processes, in particular the invitation of technical experts for the preparation and evaluation of specific procurements.
 72. After reviewing the asset register and performing some checks on current assets (mainly office furniture and equipment), the register resulted to be updated and the assets verified exist and are functioning. In order to improve assets administration and monitoring, the mission recommends the project to periodically (on a six monthly basis) verify existence and status of assets, update the electronic asset register, print it and have it signed and approved by the Project Manager.
 73. **Audit** is *satisfactory*. The first audit of the project will cover the period June 2012 – December 2013. A Waiver for the production of the audit report for FY 2012 was granted in accordance with the "IFAD Guidelines on Project Audits" as the first IFAD disbursement to the project was completed in the second semester of 2012. The project will be audited by a private audit firm for which the procurement is on-going. The mission, with the aim of exploring possibilities for an enhanced use of country systems, met representatives of the Cambodian National Audit Authority There is a potential for the involvement of NAA in the audit of IFAD projects in future years. The mission recommends the project to transmit copy of the final 2013 audit report to NAA as soon as available for information and possible disclosure to third parties.
 74. **Financial Management Assessment Questionnaire (FMAQ) and Risk Summary Table**. Overall the project is classified as LOW risk from a fiduciary point of view, however the important number of MEDIUM risk scores (29%) highlights the need for a continuous support to the project from a fiduciary point of view together with a close monitoring of major financial activities.
 75. In relation to the internal audit function, at the moment it is not present a sufficient critical mass of activities to justify the set-up of an internal audit function for PADEE. The possibility of hiring an internal auditor on a cost sharing basis between PADEE and ASPIRE may be considered during the design of the new project.

Risk Summary Table

	Risk Assessment	Notes
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	H/M/L	
Inherent Risk	H	Details in the FMAQ technical annex
Control Risks		
1. Organization and Staffing	L	5 Low / 3 Medium
2. Budgeting	L	3 Low / 1 Medium
3. Funds flow & Disbursement Arrangements	L	9 Low / 2 Medium
4. Internal Controls	L	13 Low / 7 Medium
5. Accounting	L	5 Low / 3 Medium
6. Financial Reporting and Monitoring	L	3 Low
7. Internal Audit	M	Not Present
8. External Audit	L	1 Low
Overall Project Fiduciary Risk	Low Risk	
H=High, M=Medium, L= Low		

Agreed action	Responsibility	Agreed date
Set-up a performance based evaluation system to validate on annual basis the performance of all staff (now done only to consultants and contracted staff – to be extended also to Government staff)	Project Manager & HR	Dec 2013
Install Peachtree software also at MoWA and link all Peachtree workstations at PSU, MoWA and in the provinces. In addition, to include the DAs among all other bank accounts managed by the accounting software	FMS and FOs at PSU	Mar 2014
Set-up a cost centre for consolidation purposes, a password system in all workstations and assessing the opportunity for a further customization of the system to avoid the possibility to input backdated transactions and to include the automatic generation of withdrawal applications	FMS and FOs at PSU	Mar 2014
Start internal consultation in MAFF to explore the possibility for the release of an additional extra-budget advance to iDE before the end of 2013 and revise AWBP accordingly	Project Manager, FMS and FOs at PSU, iDE	31 Dec 2013
Increase the efforts to prepare a more realistic budget for 2014	MAFF-PSU and other interested project parties	Nov 2013
Close monitoring of disbursements to PIPs considering that project's unallocated resources shall not be used before MTR	Project Manager, FMS and FOs at PSU	31 Oct 2013
Introduce a monthly reconciliation exercise also for the DAs. Bank reconciliations to be printed out, signed off by Finance Officers and Project Manager	FMS and FOs at PSU	31 Oct 2013
Continuous follow up action with RGC authorities to ensure matching of annual actual contribution with the annual budget commitment	Project Manager, FMS and FOs at PSU	31 Oct 2013
Increase adherence to approved procurement plan and increased consultation during the preparation of the 2014 procurement plan	Procurement Officers and Project Manager	31 Oct 2013
Further improve the procurement process, in particular the invitation of technical experts for the preparation and evaluation of specific procurements	Procurement Officers	On-going
Verify periodically (on a six monthly basis) existence and status of assets, update the electronic asset register, print it and have it signed and approved by the Project Manager	Finance Officers and Project Manager	On-going
Transmit copy of the final 2013 audit report to NAA as	FMS and FOs at PSU	Jun 2014

soon as available for information and possible disclosure to third parties

F. Sustainability

76. Sustainability is *moderately satisfactory*. In this regard the sustainability of impacts from PADEE will principally rely on: 1) adoption of improved production technologies by farmers; 2) viability of the IGRF groups to be truly self-managing; and 3) adoption of non-land based income opportunities by women's group. In terms of service deliver sustainability, this will depend on (i) sustainability of VAHW networks; and (ii) the sustainability of the iDE FBA system being developed by iDE.
77. With just 15 months of project implementation completed it is too early to comment in detail on the extent to which sustainability will be achieved in these various areas. However, on the particular area of IGRF groups sustainability, the mission notes that the foundation for sustainable IGRFs groups appears to be much improved over previous projects through, among others: strong group mobilization, improved internal rules for groups, simplified financial management responsibilities for group leaders, strong support by professional external service provider on book keeping which will move to be a fully paid for service by the groups themselves.

Quality of Natural Asset Improvement and Climate Resilience

78. Climate resilience of target communities is increasingly important for sustainability of project impact. In this regard, planned activities under the project will assist households to: diversify household income and agricultural production beyond rice (e.g. vegetables, fish, poultry), expansion of non-land based income opportunities, improved financial assets of households and groups that improve the capacity of households to recover from shocks. Thus, while not explicitly targeted in the project design, the combination of activities under the project should improve the climate resilience of the target communities..

G. Other (Impact)

79. At this stage of the project it is too early to be able to measure the impact.

H. Conclusion

80. Overall project progress is *moderately satisfactory*. While this represents a decent performance for a first year implementation, the project has the potential to quickly reach higher performance levels in view of the motivation of its teams and the ground work already accomplished in group formation and financial asset building. In order to realize its full potential, the project will need to further improve the way the various operators work together, pay priority attention to quality of implementation and better master the use of essential instruments of implementation such as AWPB, Procurement, and Monitoring and Evaluation.
81. In the 15 months of implementation to date, the project has made rapid progress in conducting a range of activities in the target villages: 37,400 households are now members of the 748 Improved Group Revolving Fund Groups which have been established; 27,450 households have received (or are currently receiving) the 18 week Basic Farmer Training package; 225 IGRF groups have received their first conditional group cash transfer of USD 4,000 per group (totalling USD 900,000). Training has also been provided to groups on gender awareness and nutrition. This has been made possible by the considerable efforts of the project team at all levels and the fact that the majority of project staffing and systems were quickly put in place at national and as sub-national levels.
82. A notable achievement is the strong start in mobilizing large numbers of well-motivated and active IGRF groups and setting up the associated accounting service via an external service

- provider. This is the direct result of the combined efforts of the MAFF-PSU, PDAs, CEWs and FAO teams.
83. Such a rapid rollout of activities is far ahead of the intended pace set out in the project design and Project Implementation Manual. For example, the number of IGRFs due to be formed by the end of year 2 of the project should have been only 248 groups, while in practice there are already 748 groups formed – 3 times higher than planned and 76% of the end of project target.
84. However, this surge of activity has made the job of project management far more difficult and some critical tasks have not kept pace which has affected quality. For example, preparation of improved training packages for the basic training was rushed, farmer training courses have been run with 50 instead of 25 farmers as intended and management systems to manage for results are not yet in place. Also the non-land based activities have not received the necessary support and need to be re-oriented.
85. With so many groups formed the project now needs to urgently reschedule field activities of the next 18 months to ensure a regular build-up of activities with all groups, especially related to farmer training and financial literacy training. If this is achieved the project can turn the early surge of activities into a considerable strength. The critical task now is to ensure that the second year farming training for the groups can begin in the 2014 wet season at a high quality and that the current gaps in the management system and M&E are addressed. This will require strong leadership from MAFF and the project implementing partners, in particular SNV over the coming months.
86. The project teams and mission have agreed a detailed set of actions, summarised in the mission Aide Memoire, which if implemented should significantly raise the quality and performance of the project. The mission Aide Memoire was endorsed by Royal Government of Cambodia and IFAD.

Appendix 1: Summary of project status and ratings

Basic Facts

Country	Cambodia		Project ID	1559	Loan/DSF Grant No.	870 , 8101
Project	Project for Agricultural Development and Economic Empowerment				Top-up Loan/DSF Grant	
Date of Update	24-Oct-2013					
Supervising Inst.	IFAD/IFAD					
No. of Supervisions	1	No. of Implementation Support/Follow-up missions	0			
Last Supervision	27-Sep-2013	Last Implementation Support/Follow-up mission				

					USD million	Disb. rate %
Approval	03-Apr-2012			Total financing	43.24	
Agreement	08-Jun-2012	Effectiveness lag	2.2	IFAD Total	35.00	
Entry into force	08-Jun-2012	PAR value	Not at risk	IFAD loan	17.50	8
First disbursement	25-Oct-2012			DSF grant	17.50	21
MTR		Last amendment		IFAD grant		
Original completion	30-Jun-2018	Last audit	1 st audit due Q1 2014	Domestic Total	6.88	
Current completion	30-Jun-2018			Beneficiaries	2.19	
Original closing	31-Dec-2018			Government (National)	4.69	11
Current closing	31-Dec-2018			External Cofinancing Total	1.36	
No. of extensions	0			FAO	0.31	32
				iDE	0.38	29
				SNV (NGO)	0.67	9

Project Performance Ratings

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

B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Improved access to financial services		5	1. Institution building (organizations, etc.)		4
2. Improved access to technology & markets		4	2. Empowerment		4
			3. Quality of beneficiary participation		4
			4. Responsiveness of service providers		4
			5. Exit strategy (readiness and quality)		4
			6. Potential for scaling up and replication		4

B.5 Justification of ratings

In the 15 months of implementation to date, the project has made rapid progress in conducting a range of activities in the target villages: 37,400 households are now members of the 748 Improved Group Revolving Fund Groups which have been established; 27,450 households have received (or are currently receiving) the 18 week Basic Farmer Training package; 225 IGRF groups have received their first conditional group cash transfer of USD 4,000 per group (totalling USD 900,000). Training has also been provided to groups on gender awareness and nutrition. This has been made possible by the considerable efforts of the project team at all levels and the fact that the majority of project staffing and systems were quickly put in place at national and as sub-national levels. However, this surge of activity has made the job of project management far more difficult and some critical tasks have not kept pace which has affected quality. For example, preparation of improved training packages for the basic training was rushed, farmer training courses have been run with 50 instead of 25 farmers as intended and management systems to manage for results are not yet in place. Also the non-land based activities have not received the necessary support and need to be re-oriented.

Overall Assessment and Risk Profile

	Last	Current
C.1 Physical/financial assets		4
C.2 Food security		4
C.3 Quality of natural asset improvement and climate resilience		4
C.4 Overall implementation progress (Sections B1 and B2)		4

Rationale for implementation progress rating

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

Overall project progress is moderately satisfactory. While this represents a decent performance for a first year implementation, the project has the potential to quickly reach higher performance levels in view of the motivation of its teams and the ground work already accomplished in group formation and financial asset building. In order to realize its full potential, the project will need to further improve the way the various operators work together, pay priority attention to quality of implementation and better master the use of essential instruments of implementation such as AWPB, Procurement and Monitoring and Evaluation. The critical task now is to ensure that the second year farming training for the groups can begin in the 2014 wet season at a high quality and that the current gaps in the management system and M&E are addressed. This will require strong leadership from MAFF and the project implementing partners, in particular SNV over the coming months.

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

Fiduciary aspects	Overall the project is classified as LOW risk from a fiduciary point of view, however there is an important number of FM functions to be fine-tuned, especially in the budget and internal control areas together with the procurement. It is necessary continuing supporting the project from a fiduciary point of view together with a close monitoring of its major financial activities.
Project implementation progress	The principal risks to project implementation are: (i) the transition in project leadership with the departure in late September of the Project Director and (ii) the ability of the project team to adjust project delivery to capitalize on the early surge in activities and deliver a smooth and effective support process to the large number of farmer groups now formed, in particular over the next 15 months to end 2014. The mission and project team have developed a revised project implementation schedule for farmer training and access to finance activities that should enable this to happen if key milestones in preparation for the 2014 wet season training are met. Partnerships are central to the project approach in both main components. The early stages of the partnerships between RGC and the PIPs have been very mixed and need to improve quickly, especially given the need to deliver the key milestones ahead of the 2014 wet season.
Outputs and outcomes	The main risk at presents is under Component 2 and the urgent need for the project to meet a series of critical milestones until May 2014 in preparation for an improved wet season farmer training. If these milestones are not met the rescheduling of project activities to build on the early surge in group formation will not be achieved and project performance is likely to deteriorate putting at risk the project outcomes. A detailed short term action plan has been agreed and will need to be monitored closely.
Sustainability	The main risk to sustainability at present is the effectiveness of the transfer of improved farming technologies to farmers. The project needs to place greater emphasis on the quality of farmer training and in particular the adult learning styles being used to achieve good adoption rates. Several actions have been agreed to strengthen the farmer training and learning approaches. A second risk is in the sustainability of the IGRF groups, however this is currently considered a low-moderate risk given: a) the stronger than expected mobilization of dynamic IGRF groups, b) the earlier than planned mobilization of groups allowing additional time for them to mature with support of the project, and c) the improved financial book keeping and transparency within the IGRF groups due to the use of external service providers to maintain IGRF account records.

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
IGRF formation	IGRFs not yet formed (in new districts and communes) will only be formed in 2015 (MAFF-PSU)	5 Oct 2013	
Land-based capacity building	Refresher training on improved facilitation skills – short course to improve the skills of the MST & CEW involved providing the remaining first year land based training in dry season 13/14 (for 159 IGRFs). Replacement of the MSTs that did not pass the test with MSTs with a strong farming background. (GDA/PSU)	31 Dec 2013	
	Quick assessment of demand for training (thematics) for the second year packages (GDA lead with support from PSU and PDAs)	10 Oct 2013	
	GDA to dedicate 5 additional staff to PADEE (GDA/PSU)	Oct 2013	
	SNV to hire two specialists for support to rapid development of training packages (one adult learning and one curriculum development specialist) at no extra cost as short term consultants (SNV using accelerated procurement)	Oct 2013	
	Draft year two training packages prepared (SNV lead and GDA/DAE to review)	Nov 2013	
	Extension workshop to be held based on draft two year training packages (SNV lead with support from GDA/DAE)	Nov 2013	
	Final year two training packages prepared (SNV lead and GDA/DAE to review with GDA to endorse final packages)	31 Dec 2013	
	Technical monthly coordination meetings started to ensure good implementation of year two training packages (PSU lead and include GDA/DAE/PDAs/iDE/SNV)	Oct 2013	
	Training of at least 100 MSTs on year two training packages completed (PSU/GDA/SNV)	28 Feb 2014	
	Training of remaining MSTs on year two training packages completed (PSU/GDA/SNV)	30 May 2014	
	First batch of year two trainings of common interest groups to be ready to start in early wet season 2014 (GDA/PSU/PDAs)	30 May 2014	
	Improved integration of iDE activities into the project through: (i) co-branding, (ii) pilot of including iDE demonstrations within IGRF training and (iii) CAs/FBAs providing short inputs on farming as business within year one and two training packages (iDE/PSU/PDAs)	From Oct 2013 onwards	
	(iDE/PSU/GDA/PDAs)	From Oct 2013 onwards	
	Letter providing iDE branch managers with approval to operate with IGRF (PDAs)	5 Oct 2013	
Non-land based capacity building	Develop packages/training materials on identified NLB activities, which include lists of potential service providers and an outline of NLB Interest Group (NLB/IGs) identification and formation process. (SNV)	30 Jun 2014	
Other	Revised PIM submitted to IFAD including clarification of household targeting issues (MAFF-PSU)	31 Dec 2013	
	Arrangements put in place to delegate the necessary authorities to the Project Manager to limit any disruption to project progress (MAFF)	15 Oct 2013	
	Validate IGRF data by gender and wealth category and submit to IFAD (MAFF-PSU)	31 Oct 2013	
	MIS system finalized and tested (MAFF-PSU)	31 Dec 2013	
	AWPB 2014 incorporating revised schedule approved (MAFF-PSU, MEF, IFAD)	30 Nov 2013	
	WA is raised to release additional funds to iDE (MAFF-PSU, IFAD)	15 Oct 2013	

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

Narrative Summary	Key Performance Indicators (KPIs)	KPIs Achievements	Means of Verification	Assumption (A)/Risk (R)
Project Goal				
Improved livelihoods for poor rural people in the target of Kampot, Kandal, Prey Veng, Svay Rieng and Takeo Provinces	1. Value of Households assets owned by participating households increased in average by 25% [RIMS indicator].	Baseline data collected in Aug, 2013	Main impact study	Under 2 children are at risk due to lack of fortified/ nutrient food intake among the target families.
	2. Decrease in prevalence of malnutrition in children under five which are part of the HHs benefitting from the project current baseline of 30% to 10% [RIMS indicator].	Baseline data collected in Aug, 2013	Main impact study	
	3. Average annual per capita food consumption by targeted households increased by 25% from USD 324	Baseline data collected in Aug, 2013	Main impact study	
Project Objectives				
Improved agricultural productivity and diversification of income sources for rural households living in poverty in the five provinces	Around 90,000 households directly benefiting from project activities by PY6 (RIMS indicator)	37,400 IGRF group members HHs out of 49,200 HHs started to receive project benefits	Progress reports & RIMS	No major natural or man-made disasters Continued economic growth at national level generating employment opportunities Households have access to a range of quality food products Efficient and equitable intra-household resource allocation towards food
	Average wet season paddy yield of targeted households increased by 15% from average of 2.2t/ha to average of 2.5t/ha (RIMS indicator)	Baseline data collected in Aug'13. Will be monitored from 2014	Main Impact Study, Annual Outcome Reviews	
	Average dry season paddy yield of targeted households increased by 15% from average of 3.2t/ha to average of 3.7t/ha (RIMS indicator)	Baseline data collected in Aug'13. Will be monitored from 2014	Main Impact Study, Annual Outcome Reviews	
	Average labour productivity of target households increases by 15% from an average of USD 4.5 per labour day across project beneficiaries	Baseline data collected in Aug'13.	Main Impact Study	
	Average value of household non-rice agricultural production of targeted households increased by at least 20% from current average of USD 480 after three years	Baseline data collected in Aug'13.	Main Impact Study	
Component 1. Improved Access to Financial Services				
Outcomes				

Narrative Summary	Key Performance Indicators (KPIs)	KPIs Achievements	Means of Verification	Assumption (A)/Risk (R)
Objective: Targeted households improve financial literacy and increase level of investment and/or savings	984 IGRFs established and functional by PY4 (<i>RIMS indicator</i>)	748 IGRFs formed & received basic financial literacy training	Progress reports, MbWIN/MIS database	<ul style="list-style-type: none">Continued strong performance by MFI and banking sector in CambodiaExternal service providers perform satisfactorilyFinance tools promoted are appropriate to raise savings and investments.Continued strong government commitment to agricultural development and implementation of project activities through decentralized structuresCambodian government continues to promote rice production and exportsTechnology adopted by farmers is appropriate to raise productivityContinued economic growth in Cambodia generates appropriate market opportunities in non-rural sectorsContinued availability of quality agricultural inputs in project areaAbsence of extreme weather events or new pests/diseasesWomen household members are able to actively participate to the extent envisaged
	Respectively 80%, 70% and 60% of IGRF members achieve training milestones and receive first, second and third conditional capital transfer in years 1, 2 and 3 of their operation	Until Aug'13, total 225 groups completed basic FFS, and they received 1 st GCCT. Complete financial literacy training will be provided to all once the ESP contracted.	Progress reports, MbWIN/ MIS database	
	At least 440 IGRFs provide co-payment for service provider in year 2 and 3 of their operation and at least 392 IGRFs provide full payment in year 4	Applicable from 2014 onwards	Progress reports, MbWIN database	
	785 IGRFs increase the size of their initial fund of USD 3,000 by 30% after three years	Not applicable yet.	Progress reports, MbWIN database	
	24,500 IGRF members have doubled their savings in their MFI/Bank account three years after initial project support	Not applicable yet.	Progress reports, Study of Access to Rural Finance(ARF) in Y3, and MTR	
	On average IGRF members report improved access to MFI credit compared to non-beneficiary comparable households two years after initial support	Not applicable yet.	Main impact study, Progress reports, Study of ARF in Y3, and MTR	
	Average annual number of transactions with MFIs for IGRF members is on average higher than that of non-beneficiary comparable households	Will be monitored in 2014	Main impact study, Progress reports, Study of ARF in Y3, and MTR.	
Outputs				
	Contract with specialist service provider for accounting, record keeping and reporting finalized successfully in PY1	Contract finalized in May 2013 with MKA	Signed contract	
	Contract with specialist service provider for capacity building in financial literacy and linkages to MFI finalized successfully in PY1	Procurement process is ongoing, expected to be completed in Oct'13	Signed contract	

Narrative Summary	Key Performance Indicators (KPIs)	KPIs Achievements	Means of Verification	Assumption (A)/Risk (R)
	49,000 beneficiaries registered as members of an IGRF and trained in financial literacy by PY4 (of which at least 50% are women) – (RIMS indicator)	Delayed – plan for 2013 is 37,400 farmers to be trained	Progress reports, MIS Database	
	For each IGRF at least one woman elected as one of the three group leaders (RIMS indicator)	100% achieved among the 748 formed groups	Progress reports, MIS database	
	500 other existing GRFs are supported in project communes (RIMS indicator)	150 GRFs identified and will get support. (100 from PRV & 50 from SVR)	Progress reports	
Component 2. Improved Access to Technology and Markets				
Outcomes				
Objective: Targeted households use improved production technologies, establish market linkages, and diversify income sources	70% of trained farmers still adopt recommended technology and/or report increased expenditure on inputs two years after project intervention	Not applicable yet.	Main Impact Study, Annual Reviews, Special studies	•Government is open on inclusion of innovations in training packages; •Extension workshops and Implementing partners are able to identify and apply innovations in the training packages effectively (before delivery of the trainings); •The target Farmers number (3800) trained in NLB activities is limited. •Few FBAs are leaving from the network or not active on their roles. •Bio-digester designs may not work with poor/poorest families0
	10% of IGRF members engaged in new or scaled-up non-land based income generating activities by PY5	MoWA and SNV are in the process of identifying the topics for NLB income generating activities;	Main Impact Study Report, Annual Reports, Progress reports	
	75 small rural business matching grants approved and implemented efficiently by PY6	Potential value chains selected at district and provincial level; Concept yet not on development process. Preparatory activities planned on in 2014 and roll-out in 2014	Assessment report on small grants, Progress reports.	
-	Land and non-land based training packages developed (minimum 10 and 4 respectively), updated and endorsed by MAFF and MOWA by PY2	4 LB packages (rice, fish, vegetable and chicken) out of 10 have been updated and endorsed. Identification of topics for NLB training and more topics on LB trainings are on-going.	Endorsed training packages, Progress reports	
	Around 200 Farmer Business Advisors providing extension services and supply of farm inputs to approximately 10,000 beneficiaries in a sustainable way by PY 3	1,682 farmers in the project areas of 5 provinces received agriculture inputs and services from existing 30 FBAs and 17 Commercial Agronomists. This year target is 89 FBA supporting around 4,450 farmers	Progress report, Annual reviews, and Main Impact Study	

Narrative Summary	Key Performance Indicators (KPIs)	KPIs Achievements	Means of Verification	Assumption (A)/Risk (R)
-	4,000 pro-poor bio-digesters constructed and operating by PY4	Pilot testing of few pro-poor designs started in August 2013.	Pilot testing and feasibility study reports, Progress reports, Carbon study, Annual reviews and Main Impact study	
Outputs				
	492 CEWs trained and working by PY4, of which 50% are women	Total 386 CEWs are trained and they are working in their respective villages. Among them 193 are female (50%).	Progress reports, Annual reviews	<ul style="list-style-type: none"> - Farmers interest and their active participation. - Training quality including quality demonstration plots; - Late selection of ESP for financial literacy training;
	49,200 beneficiaries trained in first and second year packages by PY5	509 groups (about 25,450) out of 748 groups formed received the first year package on four topics (rice, fish, vegetable and chicken) with demonstrations and basic financial literacy.	Progress reports, Annual reviews	
	6,000 outstanding farmers trained in first and second year packages by PY5	In the on-going trainings, there observed participation of few outstanding farmers but not done and recorded yet in formal ways.	Progress reports/ MIS database	
	3,800 beneficiaries trained in non-land based income generating activities, of which at least 70% are women by PY5	NLB Trainings not yet started. Baseline need and capacity assessment are on-going.	Progress reports, Annual reviews	
	400 improved seed variety demonstrations conducted by PY5	GDA introducing four improved varieties (Choulsa, IR66, Rumduol, and Pkarormiet) have been demonstrated so far. iDE also introducing Senpidor besides Choulsa and IR66.	Progress reports	
	400 crop diversification demonstrations conducted by PY5	Not yet practiced	Progress reports	
Component 3. Project Coordination and Management				
Outputs				
Objective: Efficient management and coordination by MAFF and all other implementing agencies to	MAFF PSU working effectively to coordinate national and sub-national project implementation	MAFF-PSU has been effectively working with all the implementing partners. PIM 2012 – 2013 and M&E framework were developed and endorsed with series of	Progress Reports, IFAD Mission Report, AWPB, Coordination meeting minutes, workshop reports	

Narrative Summary	Key Performance Indicators (KPIs)	KPIs Achievements	Means of Verification	Assumption (A)/Risk (R)
support satisfactory project implementation		consultations among stakeholders. Regular coordination meetings (monthly) have been arranged at MAFF-PSU from July and also technical meetings/ workshops arranged on ad-hoc basis.		
	Capable project manager appointed through transparent and competitive process	Project Managers were selected with required qualification at MAFF-PSU, MoWA-ISU, PIPs and at five Provinces.	Appointment letters issued by PA and national level (MAFF-PSU, MoWA-ISU) and PIPs	
	All M&E and gender activities implemented in a timely and efficient way by project implementing institutions	M&E framework has been reviewed and started implementation in the project with active involvement of all PIPs. Required manpower for M&E implementation has been recruited in the 2 nd quarter. All PIPs could prepare and submit the 1 st Semester report on time. Gender monitoring incorporated in M&E system which will be further reviewed (if needed) once the gender mainstreaming action plan developed. Gender training to the farmers is on-going.	M&E framework and system including MIS; Progress Reports, IFAD Mission Report,	
	Project implementing institutions complete the hiring of external specialist services in a timely and effective manner as required for project execution	Recruitment of national and international specialists and external service providers for project execution has been completed by most PIPs with delay in few cases.	Progress Reports, Procurement tracking reports, IFAD Mission Report, Staff/TA Performance Appraisal System	

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

Action Area	Action Agreed	Date	Whom	Progress
Project Implementation – Priority Actions (Section B of the main report)	IGRFs not yet formed (in new districts and communes) will only be formed in 2015	MAFF-PSU	5 Oct 2013	
	Land-based capacity building			
	Refresher training on improved facilitation skills – short course to improve the skills of the MST & CEW involved providing the remaining first year land based training in dry season 13/14 (for 159 IGRFs). Replacement of the MSTs that did not pass the test with MSTs with a strong farming background.	GDA/PSU	31 Dec 2013	
	Quick assessment of demand for training (thematics) for the second year packages	GDA lead with support from PSU and PDAs	10 Oct 2013	
	GDA to dedicate 5 additional staff to PADEE	GDA/PSU	Oct 2013	
	SNV to hire two specialists for support to rapid development of training packages (one adult learning and one curriculum development specialist) at no extra cost as short term consultants	SNV using accelerated procurement	Oct 2013	
	Draft year two training packages prepared	SNV lead and GDA/DAE to review	Nov 2013	
	Extension workshop to be held based on draft two year training packages	SNV lead with support from GDA/DAE	Nov 2013	
	Final year two training packages prepared	SNV lead and GDA/DAE to review with GDA to endorse final packages	31 Dec 2013	
	Technical monthly coordination meetings started to ensure good implementation of year two training	PSU lead and include GDA/DAE/PDAs/iDE/S	Oct 2013	

	packages	NV		
	Training of at least 100 MSTs on year two training packages completed	PSU/GDA/SNV	28 Feb 2014	
	Training of remaining MSTs on year two training packages completed	PSU/GDA/SNV	30 May 2014	
	First batch of year two trainings of common interest groups to be ready to start in early wet season 2014	GDA/PSU/PDAs	30 May 2014	
	Improved integration of iDE activities into the project through: (i) co-branding, (ii) pilot of including iDE demonstrations within IGRF training and (iii) CAs/FBAs providing short inputs on farming as business within year one and two training packages	iDE/PSU/PDAs	From Oct 2013 onwards	
	iDE plot close to MST demonstration plots and clear communication with farmers that they are all PADEE supported and are visited during field days	iDE/PSU/GDA/PDAs	From Oct 2013 onwards	
	Letter providing iDE branch managers with approval to operate with IGRF	PDAs	5 Oct 2013	
	Non-land based capacity building			
	Develop packages/training materials on identified NLB activities, which include lists of potential service providers and an outline of NLB Interest Group (NLB/IGs) identification and formation process.	SNV	30 Jun 2014	
	Other			
	Revised PIM submitted to IFAD including clarification of household targeting issues	MAFF-PSU	31 Dec 2013	
	Arrangements put in place to delegate the necessary authorities to the Project Manager to limit any disruption to project progress	MAFF	15 Oct 2013	
	Validate IGRF data by gender and wealth category and submit to iFAD	MAFF-PSU	31 Oct 2013	
	MIS system finalized and tested	MAFF-PSU	31 Dec 2013	
	AWPB 2014 incorporating revised schedule approved	MAFF-PSU, MEF, IFAD	30 Nov 2013	
	WA is raised to release additional funds to iDE. AWPB 2013 revised to increase iDE allocation.	MAFF-PSU, IFAD	15 Oct 2013	

Project Implementation - M&E/MIS (Section D)	Finalize annual survey methodology and formats	MAFF – PSU	31 Mar 2014	
	PDA staff trained in annual survey data collection	MAFF - PSU	31 Aug 2014	
	Annual survey data collected and analyzed	MAFF-PSU /PDA	31 Dec 2014	
	Continue trainings to sub-national M&E team	MAFF – PSU	01 Oct 2013 onwards	
	Organize refresher training on reporting formats	MAFF – PSU	31 Mar 2014	
	Monitoring of training quality: GDA provides initial on-the-job and formal training to PDA technical officers on training quality assessment (TM2)	GDA/SNV	30 Nov 2013	
	Monitoring of training quality: TM2 is included in the MIS	MAFF – PSU	31 Dec 2013	
	PDA and district staff are fully equipped for the next reporting period	MAFF-PSU /PDA	31 Oct 2013	
	District planning and monitoring officers carry out training spot-checks	PDA	30 Sep 2013	
	Work with FAO to link with Micro-banker system and feed info on loan performance and use of funds directly into the MIS	MAFF-PSU /FAO	31 Dec 2013	
	Complete work of MIS system development and deliver trainings to sub-national level staff	MAFF – PSU	15 Jun 2013	
	Extend the contract of the International MIS specialist for another six months to : (i) do programming of MIS system developed (until end Dec 2013) and (ii) train project staff at national and sub-national level	MAFF-PSU	15 Oct 2013	
	Restructure the contract of the International M&E specialist so that the five months left in his contract (for 2014-15) are anticipated to end 2013-beginning 2014. The opportunity of a further extension of his contract will be evaluated at the next supervision mission	MAFF-PSU	15 Oct 2013	
	Extend the contract of national MIS specialist to take the role of MIS database and web page manager	MAFF – PSU	15 Aug 2014	
	ID card format agreed and cards printed	MAFF-PSU /FAO	1 Nov 2013	
	Assess TM1 and TM2 implementation and revise as required	MAFF-PSU/SNV	28 Feb 2013	

Outputs (Section C)	Component 1			
	FAO to provide additional guidance/ training to PDA staff to raise understanding of proper functioning of groups, accounting practices, mutual guarantee and other aspects of IGRF operation and roles of PDA and Commune council in relation to IGRFs.	FAO	Nov 2013	
	Unutilized MFAs (approx 6 people) to be contracted as Interns attached to active MFA until they begin actual operations themselves (paid for by PSU)	PSU with FAO and MFA service provider	Oct 2013	
	Conditionality for Group Conditional Cash Transfers and Transfer Readiness Tasks to be updated in PIM as per the agreed revised conditions shown in the Annex to this Mission Report	PSU	Oct 2013	
	Fund transfer to the IGRF groups to be only by electronic bank transfer in Riel and with the exact date for the transfer recommended by the relevant MFA based on important administrative readiness tasks being completed for the IGRFs (see Annex for detailed readiness tasks)	PSU	Oct 2013 onwards	
	The three studies to be initiated and completed as per the contract agreement	FAO	Nov 2013 onwards	
	Audit team for IGRFs set up and protocols approved	FAO/MAFF-PSU	31 Jan 2014	
	Component 2			
	Land based capacity building (see section B above)			
	Non-land based capacity building			
	Carry out a Market/Employment Opportunities Scan in each province to identify potential activities (MoWa to participate in field work); organize provincial NLB workshops to share and validate the findings; conduct NLB national extension workshop	SNV	31 Dec 2013	
	Start training PDoWA and DoWA staff to improve their understandings on NLB activities and to support NLB/IGs group identification and formation	MoWA-ISU	28 Feb 2014	
	Recruit service providers for the first batch of NLB/CIGs to be trained	MoWA-ISU	31 Aug 2014	

	Conduct the first round of NLB/CIGs training (about 80 in total)	MoWA-ISU hired service providers	31 Dec 2014	
	Gender and nutrition training			
	Develop a simple tool to monitor and assess adoption of gender and nutrition messages; field test the tool; and organize TOT for PDoWA and DoWA staff.	MoWA with inputs from RULIP nutrition consultant and gender consultants	31 Dec 2013	
	Train CWCFFPs on the use of the assessment/monitoring tool.	PDoWA and DoWA	28 Feb 2014	
	Review results of the field assessment and RULIP experience on gender and nutrition and include improvements for next round of trainings (2015)	MoWA-ISU	30 Sep 2014	
Sustainability (Section F)				
Fiduciary Aspects (Section E)	Set-up a performance based evaluation system to validate on annual basis the performance of all staff (now done only to consultants and contracted staff – to be extended also to Government staff)	Project Manager & HR	Dec 2013	
	Install Peachtree software also at MoWA and link all Peachtree workstations at PSU, MoWA and in the provinces. In addition, to include the DAs among all other bank accounts managed by the accounting software	FMS and FOs at PSU	Mar 2014	
	Set-up a cost centre for consolidation purposes, a password system in all workstations and assessing the opportunity for a further customization of the system to avoid the possibility to input backdated transactions and to include the automatic generation of withdrawal applications	FMS and FOs at PSU	Mar 2014	
	Start internal consultation in MAFF to explore the possibility for the release of an additional extra-budget advance to iDE before the end of 2013 and revise AWBP accordingly	Project Manager, FMS and FOs at PSU, iDE	31 Dec 2013	

	Increase the efforts to prepare a more realistic budget for 2014	MAFF-PSU and other interested project parties	Nov 2013	
	Close monitoring of disbursements to PIPs considering that project's unallocated resources shall not be used before MTR	Project Manager, FMS and FOs at PSU	31 Oct 2013	
	Introduce a monthly reconciliation exercise also for the DAs. Bank reconciliations to be printed out, signed off by Finance Officers and Project Manager	FMS and FOs at PSU	31 Oct 2013	
	Continuous follow up action with RGC authorities to ensure matching of annual actual contribution with the annual budget commitment	Project Manager, FMS and FOs at PSU	31 Oct 2013	
	Increase adherence to approved procurement plan and increased consultation during the preparation of the 2014 procurement plan	Procurement Officers and Project Manager	31 Oct 2013	
	Further improve the procurement process, in particular the invitation of technical experts for the preparation and evaluation of specific procurements	Procurement Officers	On-going	
	Verify periodically (on a six monthly basis) existence and status of assets, update the electronic asset register, print it and have it signed and approved by the Project Manager	Finance Officers and Project Manager	On-going	
	Transmit copy of the final 2013 audit report to NAA as soon as available for information and possible disclosure to third parties	FMS and FOs at PSU	Jun 2014	

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

		(Physical) Targets					
	Unit	AWPB (planned 2013)	Actual (achieved - 30 June 2013)	%	Appraisal target	Cumulative (2012 + 30 June 2013)	%
Component 1: Improved Access to Financial Services							
Sub Component 1.1: Group Conditional Capital Transfer Scheme							
A. Conditional Capital Transfers to IGRFs							
1. First year GCCT	group	356		0%	984.00		0%
2. Second year GCCT	group	-	-	-	984.00	-	not applicable
3. Third year GCCT	group	-	-	-	984.00	-	not applicable
B. Specialist Service Provider							
1. Additional funds for training of service provider staff	lumpsum	-	-	-	2.00	-	not applicable
2. Capacity building of households, group leadership and CEWs	lumpsum	-	-	-	-	-	not applicable
Value of contract with service provider	lump sum	100	0	0%	1,613.00	0	0%
B. Specialist Service Provider for IGRF and selected GRF accounts (FAO)							
1. Technical support on rural finance (FAO)							
FAO administration costs	lump sum	24	0	0%	76.53	0	0%
International procurement advisor/contract specialist	person-month	2	0	0%	3.00	0	0%
National rural finance coordinator	person-month	-	-	-	36.00	-	not applicable
2. Selection and capacity building of service providers (FAO)							
International TA for selection and support of SSP /c	person-month	3	0	0%	13.00	0	0%
International TA for customization of reports	person-month	4	0	0%	5.00	0	0%
Training of service provider staff	person	15	11	73%	3.00	11	367%
Refresher training of service provider staff	group	-	-	-	4.00	-	not applicable
3. Installing and maintaining a central IT system (FAO)							
Computers, central servers and other hardware	lumpsum	0	3	#DIV/0!	1.00	3	300%
Third party software for servers and client access licenses	lumpsum	0	1	#DIV/0!	1.00	1	100%

		(Physical) Targets					
	Unit	AWPB (planned 2013)	Actual (achieved - 30 June 2013)	%	Appraisal target	Cumulative (2012 + 30 June 2013)	%
Laptop and printer	units	0	30	#DIV/0!	50.00	30	60%
Software licenses (FAO-Mbin license) per agent	units	0	1	#DIV/0!	50.00	1	2%
Software licenses (FAO-Mbin) fixed costs	lumpsum	0	1	#DIV/0!	1.00	1	100%
4. Service Provider Operating Costs	lumpsum	-	-	-	1,559.00	-	not applicable
C. Support to savings by IGRF members							
1. Transfers to savings account	person	-	-	-	49,200.00	-	not applicable
Sub Component 1.2: Capacity building in financial literacy and linkages with MFI							
A. FAO TCP							
1. International technical assistance							
Preparation of TORs and selection of training provider	person-month	9	4	44%	9.00	4	44%
Backstopping for training materials development and other	module	16	16	100%	1.00	16	units not comparable
Travel costs	lumpsum	0.49	0	0%	1.00	0	0%
2. National rural finance coordinator							
Fee	person-month	11	0	0%	24.00	0	0%
Travel costs	lump sum	1	0	0%	2.00	0	0%
Computer	unit	1	1	100%	1.00	1	100%
Other expenditures	lumpsum	0.46	0	0%	2.00	0	0%
3. Curriculum development							
Identification of existing training materials	lumpsum	1	1	100%	1.00	1	100%
Development of training materials for beneficiaries	lumpsum	1	1	100%	1.00	1	100%
Development of methodology and materials for beneficiary exams/assessment	lumpsum	1	1	100%	1.00	1	100%
Field testing and evaluation of training materials	lumpsum	-	-	-	1.00	-	not applicable
Development of training materials for trainers/MFA	lumpsum	1	1	100%	1.00	1	100%
Finalization of training materials	lumpsum	-	-	-	1.00	-	not applicable

		(Physical) Targets					
	Unit	AWPB (planned 2013)	Actual (achieved - 30 June 2013)	%	Appraisal target	Cumulative (2012 + 30 June 2013)	%
Reproduction of training materials for beneficiaries	lumpsum	-	-	-	1.00	-	not applicable
4. Training of trainers (service provider staff)	lumpsum	3	3		55.42		zero at appraisal
5. TCP support costs	lumpsum	-	-	-	43.53	-	not applicable
D. Studies (FAO)							
1. International technical assistance for study preparation	lumpsum	1	0	0%	1.00	0	0%
2. Review of rural access to finance	lumpsum	1	0	0%	95.00	0	0%
3. Survey of existing GRFs in project provinces	lumpsum	1	0	0%	1.00	0	0%
4. Study on interactions between savings led finance groups and IGRFs	lumpsum	1	0	0%	100.00	0	0%
5. Study impact of MFI growth on poverty	lumpsum	1	0	0%	1.00	0	0%
Component 2: Improved Access to Technology and Markets							
Sub-component 2.1: Support to innovation in capacity building							
A. Support to innovation in 'land-based' capacity building							
1. Development of land-based capacity building packages							
Development of training modules	module	4	4	100%	10.00	4	40%
Validation workshops for training modules	workshop	2	2	100%	10.00	2	20%
Updating of training modules	unit	7	7	100%	16.00	7	44%
Publication of training materials (books)	set	40000	40000	100%	0.00	40000	zero at appraisal
Poster	set	10000	10000	100%	0.00	10000	zero at appraisal
Leaflet	set	25000	25000	100%	0.00	25000	zero at appraisal
Standing poster	set	30	30	100%	0.00	30	zero at appraisal
Training leadership to MST	course	3	3	100%	0.00	3	zero at appraisal
Training and updating of Master Trainers	course	1	1	100%	4.00	1	25%
Training of Mobile Support Teams	course	6	6	100%	6.00	6	100%
Refresher training for Mobile Support Teams	course	6	0	0%	6.00	0	0%
2. Support to land-based research and demonstrations							

		(Physical) Targets					
	Unit	AWPB (planned 2013)	Actual (achieved - 30 June 2013)	%	Appraisal target	Cumulative (2012 + 30 June 2013)	%
Multilocation trials (CARDI)	demo	-	-	-	60.00	-	not applicable
Improved seed variety demonstrations (GDA)	demo	-	-	-	400.00	-	not applicable
Diversification demonstrations (GDA)	demo	-	-	-	400.00	-	not applicable
M&E ongoing FFS and interest group training	FFS	748	80	11%	1.00	80	units not comparable
3. Support to rice seed production							
a. Working capital for seed production (CARDI)			y				
Certified seed	kg	0	550	#DIV/0!	20,000.00	550	units not comparable
Foundation seed	lumpsum	-	-	-	10.00	-	not applicable
b. Seed for use in base package demonstrations							
Commercial seed (GDA)	tons	60	60	100%	280.00	60	21%
Commercial seed (GDA) - carry over 2012	tons	100	not available	#VALUE!	280.00	not available	not available
Foundation/certified seed (CARDI)	kg	2000	450	23%	8,300.00	450	5%
c. Seed cleaning equipment	unit	4	4	100%	4.00	4	100%
Flat bed dryer	unit	4	4	100%	0.00	4	zero at appraisal
4. Innovation plan organic farm clinic							
Improve access to innovation practice	lump sum	1	0	0%	0.00	0	zero at appraisal
Improve access to organic market	person	17	17	100%	0.00	17	zero at appraisal
Improve awareness on salty food product	lump sum	1	0	0%	0.00	0	zero at appraisal
C. Knowledge management and dissemination							
1. Extension workshops ('Land' and 'non-land' based)							
Annual national extension workshops	lump sum	1	0	0%	5.00	0	0%
Selection of participants for CEW	person	208	208	100%	0.00	208	zero at appraisal
Extension working groups	person	208	208	100%	18.00	208.00	units not comparable
Refresher training for CEW	person	178	0	0%	0.00	0	zero at appraisal

		(Physical) Targets					
	Unit	AWPB (planned 2013)	Actual (achieved - 30 June 2013)	%	Appraisal target	Cumulative (2012 + 30 June 2013)	%
M&E community extension worker	person	100	50	50%	0.00	50	zero at appraisal
2. Information and communication							
Mobile show to inspire farmer	commune	25	0	0%	0.00	0	zero at appraisal
Training proof farmer material	lump sum	1	0	0%	0.00	0	zero at appraisal
Sub-component 2.1: Support to innovation in capacity building							
A. Support to innovation in 'land-based' capacity building							
1. Technical assistance and coordination (SNV)							
a. International consultancy for capacity building and extension	lumpsum	4	2	50%	22.00	2	units not comparable
b. National consultancy for capacity building and extension	lumpsum	12	5	42%	46.00	5	units not comparable
c. Publications and learning materials	lumpsum	18	8	44%	18.00	8	units not comparable
B. Support to innovation in 'non-land based' capacity building							
1. Technical assistance and coordination (SNV)							
International consultancy for capacity building on 'non-land based' activities	lump sum	6	3	50%	22.00	3	units not comparable
National consultancy for capacity building	lump sum	6	3	50%	46.00	3	units not comparable
2. Development of 'non-land based' capacity building packages							
Study on new opportunity for non-land based activities	unit	1	0.75	75%	1.00	0.75	zero at appraisal
Development of training materials	unit	1	0	0%	1.00	0	zero at appraisal
Updating of training modules	unit	1	0	0%	3.00	0	zero at appraisal
C. Knowledge management and dissemination							
1. Extension workshops ('Land' and 'non-land' based)							
Initial national extension workshop (SNV)	unit	1	0	0%	1.00	0	0%
2. Studies and surveys (SNV)							
a. Methodology design	lumpsum	1	0	0%	1.00	0	0%

		(Physical) Targets					
	Unit	AWPB (planned 2013)	Actual (achieved - 30 June 2013)	%	Appraisal target	Cumulative (2012 + 30 June 2013)	%
b. Qualitative review of Applied training approach	lumpsum	-	-	-	2.00	-	not applicable
c. Surveys of Applied training beneficiaries	lumpsum	-	-	-	4.00	-	not applicable
d. Training needs assessment	lumpsum	1	0	0%	1.00	0	0%
3. Other support to capacity building innovations (SNV)							
a. Grants for innovation in capacity building	lump sum	1	0	0%	4.00	0	0%
b. Internship program	person	5	0	0%	20.00	0	0%
Sub-component 2.2: Applied training and capacity building							
A. Group formation and orientation meetings							
Orientation meetings for district staff	district	14	14	100%	0.00	14	zero at appraisal
Orientation meetings for establishing IGRFs	group	416	392	94%	984.00	392	40%
Financial literacy TOT to CEW	person	143	143	100%	0.00	143	zero at appraisal?
Financial literacy to IGRFs	group	716	716	100%	0.00	716	zero at appraisal?
B. Applied training and capacity building							
1. Capacity building of beneficiaries on on-farm topics							
Basic training package	group	112	233	208%	1,968.00	233	12%
Plus One training package	group	0	0	0%	1,968.00	0	0%
Year Two Interest Group Package	group	56	0	0%	1,968.00	0	0%
Provincial training on hip-pocket, group statute	person	945	945	100%	0.00	945	zero at appraisal
IGRF training on hip-pocket, group statute	group	748	748	100%	0.00	748	zero at appraisal
CEW refresher training	person	28	28	100%	72.00	28	39%
District learning workshop	person	28	28	100%	0.00	28	zero at appraisal
PSU/FAO orientation for group opening account	person	37	37	100%	0.00	37	zero at appraisal
Farm business plan documents	group	112	30	27%	0.00	30	zero at appraisal
Exposure visits	village	56	0	0%	114.00	0	0%

		(Physical) Targets					
	Unit	AWPB (planned 2013)	Actual (achieved - 30 June 2013)	%	Appraisal target	Cumulative (2012 + 30 June 2013)	%
Farmer awards	village	56	0	0%	114.00	0	0%
2. Capacity building of interest groups on 'non-land based' activities							
Capacity building of 'non-land based' activity interest groups	group	100	0	0%	329.00	0	0%
Workshop and meetings	lumpsum	104	25	24%	0.00	25	zero at appraisal
3. Capacity building for gender mainstreaming and nutrition							
TOT training	commune	193	24	12%	0.00	24	zero at appraisal
Gender training and nutrition training	group	504	428	85%	0.00	428	zero at appraisal
Gender training	group	172	71	41%	0.00	71	zero at appraisal
Nutrition training	group	172	0	0%	0.00	0	zero at appraisal
C. Capacity building and Implementation Support - Provincial PDA							
1. Equipment							
a. Vehicles							
Pick-up 4WD	unit	5	0	0%	5.00	0	0%
Motorcycles	unit	42	42	100%	22.00	42	191%
b. Office equipment							
Computer with UPS	unit	37	0	0%	27.00	0	0%
Laptop	unit	10	0	0%	10.00	0	0%
Digital camera	unit	5	0	0%	0.00	0	zero at appraisal
GPS	unit	5	0	0%	0.00	0	zero at appraisal
LCD projector & screen	unit	5	0	0%	0.00	0	zero at appraisal
Phone & internet installation	unit	5	1	20%	0.00	1	zero at appraisal
Photocopier	unit	5	0	0%	0.00	0	zero at appraisal
Printer	unit	15	0	0%	15.00	0	0%
Other office equipment	unit	5	0	0%	5.00	0	0%
2. Technical Assistance					0.00		

		(Physical) Targets					
	Unit	AWPB (planned 2013)	Actual (achieved - 30 June 2013)	%	Appraisal target	Cumulative (2012 + 30 June 2013)	%
Provincial project coordination advisor	person/month	-	-	-	360.00	-	not applicable
Provincial M&E advisor	person/month	-	-	-	320.00	-	not applicable
3. ToT and capacity building							
a. Specialist technical services on agricultural themes	person	5234	0	0%	25.00	0	units not comparable
b. Capacity building of project staff on M&E	course	24	0	0%	20.00	0	units not comparable
d. Workshop and meeting	time	60	0	0%	0.00	0	zero at appraisal
e. Training of district PDA staff					0.00		
Development/adaptation of training materials	lumpsum	-	-	-	5.00	-	not applicable
Training of district staff	lumpsum	-	-	-	15.00	-	not applicable
f. Training of CEW					0.00		
Initial and refresher training for commune staff	person	306	306	100%	492.00	306	62%
External specialist training costs	person	796	192	24%	738.00	192	26%
g. Training of VAHW					0.00		
Initial training of VAHW	VAHW	165	50	30%	144.00	50	35%
Refresher training of VAHW	VAHW	35	0	0%	144.00	0	0%
h. Study tour outside province	lumpsum	1	0	0%	0.00	0	zero at appraisal
D. Capacity building and implementation support - District PDA (5 districts)							
1. Equipment							
a. Vehicles							
Motorcycles	2 unit/district	52	52	100%	10.00	52	520%
b. Office equipment					0.00		
Computers with UPS	2 unit/district	52	0	0%	10.00	0	0%
Printers	unit/district	26	0	0%	5.00	0	0%
Other office equipment	LS/district	78	0	0%	5.00	0	0%

		(Physical) Targets					
	Unit	AWPB (planned 2013)	Actual (achieved - 30 June 2013)	%	Appraisal target	Cumulative (2012 + 30 June 2013)	%
2. Technical Assistance							
Mobile support team	person/year	0	0	0%	85.00	0	0%
3. Meetings and workshops	workshops	312	138	44%	16.00	27.6	units not comparable
E. Capacity building and implementation support - Commune (36 communes)					0.00		
1. Equipment					0.00		
a. Motorcycles	2 unit/commune	56	386	689%	72.00	386	536%
b. Equipment					0.00		
Other equipment	LS/commune	28	28	100%	36.00	28	78%
2. Meetings and workshops					0.00		
Meetings and workshops	commune	28	28	100%	108.00	28	26%
3. Staff cost							
CEW remuneration	person-month	672	1760	262%	0.00	1760	zero at appraisal
G. Capacity building and implementation support - Provincial PDoWA							
1. Equipment	unit						
a. Motorcycles	unit	2	10	500%	2.00	10	500%
b. Office equipment					0.00		
Laptop	unit	1	0	0%	0.00	0	zero at appraisal
Computers with UPS	unit	1	0	0%	1.00	0	0%
Photocopier	unit	1	0	0%	0.00	0	zero at appraisal
Digital camera	unit	1	0	0%	0.00	0	zero at appraisal
Printers	unit	1	0	0%	1.00	0	0%
Other office equipment	lumpsum	1	0	0%	1.00	0	0%
H. Capacity building and implementation support - District PDoWA (5 districts)					0.00		
1. Equipment					0.00		

		(Physical) Targets					
	Unit	AWPB (planned 2013)	Actual (achieved - 30 June 2013)	%	Appraisal target	Cumulative (2012 + 30 June 2013)	%
a. Vehicles					0.00		
Motorcycles	unit/district	4	26	650%	41.25	26	63%
b. Office equipment					0.00		
Computers with UPS	unit	30	0	0%	41.25	0	0%
Printers	unit	-	-	-	41.25	-	not applicable
Other office equipment	unit	-	-	-	41.25	-	not applicable
Sub-component 2.2: Applied training and capacity building							
KAMPOT							
F. Support to Farm Business Advisors (FBA) Programme (iDE)							
1. Management and support to FBA network	lump sum	26	0	0%	92.00	0	0%
2. FBA establishment (36 FBA)	lump sum	2	0	0%	36.00	0	0%
3. FBA capacity building (36 FBA)	lump sum	32	0	0%	36.00	0	0%
KANDAL							
F. Support to Farm Business Advisors (FBA) Programme (iDE)							
1. Management and support to FBA network	lump sum	26	0	0%	92.00	0	0%
2. FBA establishment (36 FBA)	lump sum	2	0	0%	36.00	0	0%
3. FBA capacity building (36 FBA)	lump sum	32	0	0%	36.00	0	0%
PVG							
F. Support to Farm Business Advisors (FBA) Programme (iDE)							
1. Management and support to FBA network	lump sum	14	0	0%	92.00	0	0%
2. FBA establishment (51 FBA)	lump sum	15	15	100%	51.00	15	29%
3. FBA capacity building (51 FBA)	lump sum	15	15	100%	51.00	15	29%
SVR							
F. Support to Farm Business Advisors (FBA) Programme (iDE)							
1. Management and support to FBA network	lump sum	21	0	0%	92.00	0	0%
2. FBA establishment (15 FBA)	lump sum	15	15	100%	15.00	15	100%
3. FBA capacity building (15 FBA)	lump sum	15	15	100%	15.00	15	100%
TAKEO							

		(Physical) Targets					
	Unit	AWPB (planned 2013)	Actual (achieved - 30 June 2013)	%	Appraisal target	Cumulative (2012 + 30 June 2013)	%
F. Support to Farm Business Advisors (FBA) Programme (iDE)							
1. Management and support to FBA network	lump sum	27	0	0%	92.00	0	0%
2. FBA establishment (58 FBA)	lump sum	6	0	0%	58.00	0	0%
3. FBA capacity building (58 FBA)	lump sum	33	0	0%	58.00	0	0%
Sub-component 2.3: Small rural business development							
A. Stimulus facility for rural business development (SNV)							
1. Stimulus facility subprojects	lumpsum	-	-	0%	9.00	-	not applicable
2. Business plan development	unit	10	0	0%	40.00	0	0%
3. Screening of business plans	unit	2	0	0%	8.00	0	0%
4. Grant selection committee meetings	unit	2	0	0%	8.00	0	0%
B. Preliminary studies and knowledge management (SNV)							
1. Mapping and analysis of associations and supply chains	unit	4	0	0%	12.00	0	0%
2. Study validation workshops	unit	4	0	0%	12.00	0	0%
3. Case studies on farmer organisations	lump sum	1	0	0%	5.00	0	0%
C. Technical assistance, capacity building and networking (SNV)							
1. International integrated value chain specialist	person-month	6	3	50%	22.00	3	14%
2. National integrated value chain specialists	lump sum	12	5	42%	46.00	5	11%
3. Capacity building of provincial, district and commune staff	lump sum	1	0	0%	3.00	0	0%
D. Development of pro-poor bio-digesters (SNV)							
1. Preparatory activities for pro-poor technology adaptation and capacity building							
R&D on technology	lumpsum	21	0	0%	17.50	0	0%
Capacity development	lumpsum	-	-	-	6.00	-	not applicable
Marketing and promotion	lumpsum	1	1	100%	8.00	1	13%
Carbon financing and markets	lumpsum	4	0	0%	10.00	0	0%
2. Pro-poor biodigester program roll-out							

		(Physical) Targets					
	Unit	AWPB (planned 2013)	Actual (achieved - 30 June 2013)	%	Appraisal target	Cumulative (2012 + 30 June 2013)	%
MFI management fee for credit	lumpsum	-	-	-	10.00	-	not applicable
Construction of biodigesters (IFAD)	unit	-	-	-	1,600.00	-	not applicable
Construction of biodigesters (Beneficiaries)	unit	-	-	-	2,400.00	-	not applicable
Quality control and sales monitoring	lump sum	1	0	0%	8.00	0	0%
Slurry extension programme	lumpsum	-	-	-	3.00	-	not applicable
3. Technical assistance and NBP programme management							
International Technical Assistance	person-month	9	3	33%	18.00	3	17%
National Technical Assistance	person-month	-	-	-	24.00	-	not applicable
NBP staff and office running costs	lump sum	8	1	13%	24.00	1	4%
Component 3: Project Coordination and Management							
Sub-component 3.1: MAFF Project Support Unit (the "MAFF-PSU")							
A. Equipment							
1. Peachtree financing software	unit	1	1	100%	1.00	1	100%
2. Vehicles	unit	3	0	0%	3.00	0	0%
3. Computers - desktops with UPS	unit	-	-	-	10.00	-	not applicable
4. Computers - laptops	unit	9	0	0%	4.00	0	0%
5. Printers with scanner	unit	4	0	0%	8.00	0	0%
6. LCD projector	unit	1	0	0%	1.00	0	0%
7. LCD project for GDA	unit	1	0	0%	1.00	0	0%
7. Photo/video camera	unit	1	0	0%	1.00	0	0%
8. Photocopier	unit	1	0	0%	1.00	0	0%
9. Phone and internet installation	unit	1	0	0%	1.00	0	0%
10. Furniture & miscellaneous	lump sum	35	0	0%	45.00	0	0%
B. Technical assistance							
1. Procurement and fiduciary specialist - international	person-month	3	0	0%	24.00	0	0%

		(Physical) Targets					
	Unit	AWPB (planned 2013)	Actual (achieved - 30 June 2013)	%	Appraisal target	Cumulative (2012 + 30 June 2013)	%
2. Procurement specialist - national	person-month	12	5	42%	0.00	9	zero at appraisal
3. Financial management specialist - national	person-month	12	4	33%	18.00	4	22%
4. Financial management specialist - international	person-month	1	0	0%	0.00	0	zero at appraisal
5. National M&E specialist	person-month	12	3	25%	0.00	3	zero at appraisal
6. Training in PeachTree financial management software	group	-	-	-	4.00	-	not applicable
7. Provincial project coordination adviser	person-month	60	20	33%	72.00	4	6%
8. Provincial M&E adviser	person-month	60	0	0%	64.00	0	0%
9. Local Procurement consultant - short term	person-month	12	2.5	21%	0.00	2.5	zero at appraisal
C. Support at MEF							
1. Computers - laptops	unit	1	0	0%	3.00	0	0%
2. Computers - Template PC	unit	1	0	0%	1.00	0	0%
3. Scanner	unit	1	0	0%	1.00	0	0%
4. Vehicles	unit	1	0	0%	1.00	0	0%
D. Equipment M&E							
1. Vehicles	unit	1	0	0%	1.00	0	0%
2. Computers - desktops with UPS	unit	1	0	0%	4.00	0	0%
3. Computers - laptops	unit	3	0	0%	2.00	0	0%
4. Software and servers for MIS	unit	1	0	0%	1.00	0	0%
5. Printers with scanner	unit	3	0	0%	6.00	0	0%
6. Photo/video camera	unit	1	0	0%	1.00	0	0%
7. Mobile phones for commune level monitoring	unit	193	0	0%	492.00	0	0%
E. International technical assistance M&E							
1. Management information system specialist							
International MIS specialist	person-month	5	1	20%	5.00	1	20%
National MIS specialist	person-month	6	3	50%	12.00	3	25%

		(Physical) Targets					
	Unit	AWPB (planned 2013)	Actual (achieved - 30 June 2013)	%	Appraisal target	Cumulative (2012 + 30 June 2013)	%
2. Software developer	person-month	3	0	0%	3.00	0	0%
3. M&E advisor international	person-month	6	3	50%	13.00	3	23%
F. Training M&E	lump sum	-	-	-	2.00	-	not applicable
G. Studies and surveys M&E							
1. Main impact study							
Methodology design	lump sum	1	1	100%	1.00	1	100%
Survey work including RIMS	lump sum	1	1	100%	426.00	1	0%
2. Mid-term and completion review studies							
Additional studies	lump sum	-	-	-	2.00	-	not applicable
H. Knowledge sharing M&E							
1. Workshops at national and provincial level	unit	2	1	50%	5.00	1	20%
2. Publication and knowledge dissemination costs	lump sum	1	0	0%	5.00	0	0%
I. Other operating cost							
1. Audit	lump sum	1	0	0%	0.00	0	0%
2. Training, workshop (planning, evaluation)	unit	4	0	0%	0.00	0	0%
3. Policy guidance and technical meeting	unit	8	6	75%	0.00	6	0%
4. Staff training	lump sum	1	0	0%	0.00	0	0%
Sub-component 3.2: Ministry of Women's Affairs Implementation Support Unit							
A. Studies and policy support							
1. Stocktaking on gender mainstreaming in agriculture	lump sum	1	0.05	5%	1.00	0.05	5%
2. Support Gender Mainstreaming Action Plan	lump sum	1	0.05	5%	1.00	0.05	5%
3. Assessment of drudgery patterns of women in target areas	lump sum	1	0.05	5%	1.00	0.05	5%
B. Support to MoWA							
1. Equipment							
a. Vehicles	unit	1	0	0%	1.00	0	0%
b. Computers - laptops	unit	2	0	0%	2.00	0	0%

		(Physical) Targets					
	Unit	AWPB (planned 2013)	Actual (achieved - 30 June 2013)	%	Appraisal target	Cumulative (2012 + 30 June 2013)	%
c. Computers - desktops	unit	4	0	0%	4.00	0	0%
d. Printers with scanner	unit	2	0	0%	2.00	0	0%
e. Photocopier	lump sum	1	0	0%	0.00	0	zero at appraisal
f. Furniture & miscellaneous	lump sum	1	0	0%	2.00	0	0%
2. Training of MoWA staff	lump sum	1	0	0%	2.00	0	0%
3. Support to MoWA technical assistance to provinces							
a. Development/adaptation of training materials /e	lump sum	1	0	0%	1.00	0	0%
b. Project national staff training	lump sum	1	0	0%	5.00	0	0%
c. Information and media materials development and dissemination	lump sum	1	0	0%	5.00		0%
d. National level stocktaking workshops	lump sum	2	1	50%	5.00	1	20%
C. Support to gender mainstreaming at sub-national level							
1. Training of provincial, district and commune staff	LS/province	5	5	100%	30.00	5	17%
2. Gender mainstreaming materials development and dissemination	lump sum	1	0.01	1%	5.00	0.01	0%
Sub-component 3.3: Provincial Management							
A. Provincial support - Provincial administration							
1. Vehicles							
a. Motorcycles	unit	15	15	100%	2.00	15	750%
2. Office equipment	lumpsum	-	-	-	-	-	-
a. Computers - desktops with UPS	unit	12	0	0%	2.00	0	0%
b. Computers - laptops	unit	6	0	0%	4.00	0	0%
c. Photocopier	unit	6	0	0%	0.00	0	zero at appraisal
d. Digital camera	unit	6	0	0%	0.00	0	zero at appraisal
c. Printers with scanner	unit	12	0	0%	4.00	0	0%
d. Phone and internet installation	unit	5	0	0%	4.00	0	0%
e. Furniture & miscellaneous	lump sum	6	0	0%	2.30	0	0%

		(Physical) Targets					
	Unit	AWPB (planned 2013)	Actual (achieved - 30 June 2013)	%	Appraisal target	Cumulative (2012 + 30 June 2013)	%
3. Training for provincial staff							
a. Initial and refresher courses	course	15	1	7%	5.00	1	20%
b. Workshop and meeting	time	22	5	23%	0.00	5	zero at appraisal
B. Commune support							
1. Support to commune focal point							
PADEE target communes					738.00		0%

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

Table 5A - Since Project start until 31 August 2013

Financier	Approval (USD Mil.)	Disbursed by Financiers	Per cent disbursed by the financiers	Disbursement s by the project (USD 'Mil.)	Per cent disbursed by the project
IFAD loan	17,50	1,46	8%	1,16	7%
IFAD grant	17,50	3,67	21%	1,87	11%
Co-financiers	3,55	0,25	7%	0,36	10%
Government	4,69	1,05	22%	1,01	22%
Total	43,24	6,43	15%	4,40	10%
				2,03	bank balance
				6,43	

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

Component	IFAD Loan			IFAD Grant			Co-financiers			Government			Total		
	Approval (USD Mil.)	Actual (USD Mil.)	%	Approval (USD Mil.)	Actual (USD Mil.)	%	Approval (USD Mil.)	Actual (USD Mil.)	%	Approval (USD Mil.)	Actual (USD Mil.)	%	Approval (USD Mil.)	Actual (USD Mil.)	%
COMPONENT 1	12,72	0,85	7%	2,46	0,11	4%	1,23	0,10	8%	0,26	-	0%	16,68	1,06	6%
COMPONENT 2	3,40	0,18	5%	13,08	1,36	10%	2,32	0,26	11%	3,63	0,91	25%	22,43	2,71	12%
COMPONENT 3	1,38	0,13	10%	1,96	0,40	20%	-	-	0%	0,80	0,10	12%	4,13	0,63	15%
TOTAL	17,50	1,16	7%	17,50	1,87	11%	3,55	0,36	10%	4,69	1,01	22%	43,24	4,40	10%

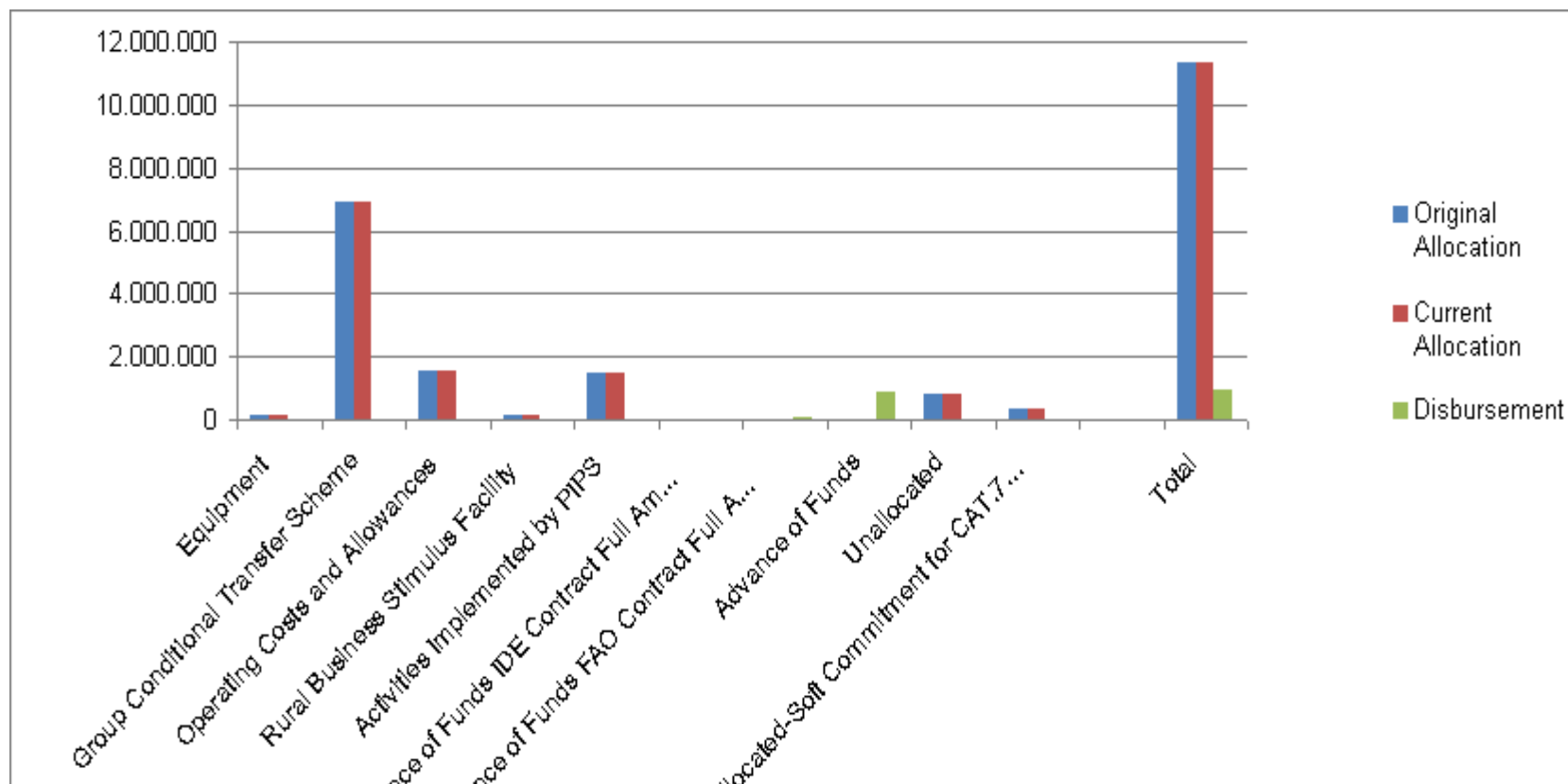
Note: Co-financiers include Beneficiaries contribution of USD 2.19 Million

Table 5C: IFAD loan disbursements (SDR, as at 31 August 2013)

Loan 870-KH

Cat. #	Category Description	Original Allocation	Current Allocation	Disbursement	Balance	% Disbursed
1	Equipment	150.000	150.000	0	150.000	0%
4	Group Conditional Transfer Scheme	6.890.000	6.890.000	0	6.890.000	0%
5	Operating Costs and Allowances	1.520.000	1.520.000	0	1.520.000	0%
6	Rural Business Stimulus Facility	140.000	140.000	0	140.000	0%
7	Activities Implemented by PIPS	1.470.000	1.470.000	0	1.470.000	0%
97X	Advance of Funds IDE Contract Full Amount USD1,40	0	0	29.434	-29.434	100%
97Y	Advance of Funds FAO Contract Full Amount USD1,68	0	0	83.093	-83.093	100%
97Z	Advance of Funds	0	0	844.024	-844.024	100%
99	Unallocated	800.000	800.000	0	800.000	0%
99 B	Unallocated-Soft Commitment for CAT.7- PIPS	330.000	330.000	0	330.000	0%
	Total	11.300.000	11.300.000	956.550	10.343.450	8%

Loan 870-KH



DSF-8101-KH

Cat. #	Category Description	Original Allocation	Current Allocation	Disbursement	Balance	% Disbursed
2	Technical Assistance	1.760.000	1.760.000	0	1.760.000	0%
3	Consultancy Services and Training	5.310.000	5.310.000	29.248	5.280.752	1%
5	Operating Costs and Allowances	1.250.000	1.250.000	0	1.250.000	0%
7	Activities Implemented by PIPS	1.850.000	1.850.000	0	1.850.000	0%
97X	Advance of Funds IDE Contract Full Amount USD1,40	0	0	37.461	-37.461	100%
97Y	Advance of Funds FAO Contract Full Amount USD1,68	0	0	105.754	-105.754	100%
97Z	Advance of Funds	0	0	2.236.349	-2.236.349	100%
99	Unallocated	800.000	800.000	0	800.000	0%
99 B	Unallocated-Soft Commitment for CAT.7-PIPS	330.000	330.000	0	330.000	0%
Total		11.300.000	11.300.000	2.408.812	8.891.188	21%

DSF-8101-KH



Appendix 6: Compliance with legal covenants: Status of implementation

Section	Covenant	Compliance Status/Date	Remarks
Section B, Paragraph 6	There shall be two designated accounts denominated in USD opened and maintained by the Borrower/Recipient in a bank acceptable to the Fund	Complied with	
Section D, Paragraph 1 (a)	The MAFF Project Support Unit (the "MAFF-PSU") shall have been duly established and staffed in accordance with Section II, Schedule 1 to this Agreement	Complied with	
Section D, Paragraph 1 (b)	The Designated Accounts shall have been duly opened and the authorized signatories shall have been submitted to the Fund.	Complied with	
Section D, Paragraph 2	The following are additional specific conditions precedent to withdrawal under Category four as provided in the allocation table, schedule 2 to this Agreement: (a) An external Service Provider shall have been engaged to carry out financial management activities and	Not in compliance	Implementation status not yet reached the required level to withdraw from Category four
	(b) The IT infrastructure shall have been in place and functional for the Group Conditional Transfer Scheme to operate	Complied with	
Schedule 1, Paragraph 5	For the purpose of this Agreement, the Implementing Agencies (the "IAs") shall include the MAFF, the MoWA, the National Committee for Sub-National Democratic Development Secretariat (the "NCDD", the Provincial, District and Commune Administrations, the Provincial Departments of Agriculture (the "PDA") and the Provincial Departments of Women's Affairs (the "PDOWA") and their District Offices.	Complied with	
Schedule 1, Paragraph 6	The Borrower /Recipient shall appoint the MAFF as the Lead Project Agency to assume overall responsibility over Project implementation and coordination.	Complied with	
Schedule 1, Paragraph 18	<i>Annual Work Plans and Budgets (AWPBs)</i> . Each province and PIP shall prepare an AWPB and the MAFF-PSU shall prepare a final AWPB for each Project year to be	Not complied with	Late submission of AWPB to IFAD (Feb 2013)

Section	Covenant	Compliance Status/Date	Remarks
	submitted to the Fund for no-objection by 15 November every year. The AWPBs would include, inter alia, a Procurement Plan, a detailed description of planned Project activities during the coming Project year, and the sources and uses of the proceeds of the IFAD Financing.		
Schedule 1, Paragraph 19	<i>Project Implementation Manual (PIM)</i> . The MAFF-PSU shall prepare a draft PIM as soon as practicable, based on the draft PIM as soon as practicable, based on the draft PIM prepared by IFAD's final design mission report of February 2012 (the Appraisal Report), but in no event later than thirty (30) days after the entry into force of this Agreement.	Complied with	
Schedule 1, Paragraph 20	The MAFF in its capacity as the Lead Project Agency will forward the draft PIM to the Fund for its comments and approval no later than sixty (60) days after the entry into force of this Agreement. If the Fund does not comment on the draft PIM within thirty (30) days of receipt, it shall be deemed approved. The Lead Project Agency shall adopt the PIM, substantially in the form approved by the Fund, and shall promptly provide copies thereof to the Fund	Complied with	

AUDIT LOG

Not applicable as first audit will cover the period since inception up to December 2013.
 For details please refer to the relevant audit paragraph in section E - Fiduciary Aspects.

Appendix 7: Knowledge management: Learning and Innovation

Learning

The project is still at an early stage of implementation, but experience so far suggests the following key lessons:

- Smooth communications and knowledge sharing across project stakeholders (project management and implementing partners) are essential for a project with innovative features and approaches, and need to be institutionalised in such formats as regular and frequent meetings and agreed follow-up actions with clear responsibilities.
 - Certain new organizational features seem to have positively contributed to solidarity and trust among revolving fund group members: including a system of mutual guarantee among sub-groups; clear written internal rules that have been well communicated; and simplified responsibilities for the IGRF accountant/leader on financial record keeping combined with engagement of an external service provider.
-

Innovation: Describe any interesting innovation noted during supervision

The project started a dedicated Facebook page. With frequent postings of photos, videos and comments, it currently serves as an active forum for real-time information sharing. There is a good scope for the PADEE Facebook page to be a mechanism for prompt problem solving.

Using a micro-finance dedicated software to manage group revolving funds is a significant innovation with a scope for scaling up and potential adoption by similar service providers, such as cooperatives and other agriculture organizations, which traditionally face challenges on financial management.