

Turkey

Murat River Watershed Rehabilitation Project Partial Supervision Report

Mission Dates: 3-18 June 2020

Document Date: 23/07/2020

Project No. 1100001623

Report No. 5451-TR

Near East, North Africa and Europe Division
Programme Management Department

Abbreviations and Acronyms

AWPB	Annual work Program and Budget
ÇEM	General Directorate of Combating Desertification and Erosion
ÇFP	Central Focal Point
COU:	Central Operation Unit
DAP	Eastern Anatolia Project - Regional Development Administration
DPM	Deputy Project Manager
DSI	General Directorate of Hydraulic Works
FPM	Field Project Manager
FOU	Field Operations Unit
GoT	Government of Turkey
LWF	Livestock water facilities
LTB	Letter to Borrower
MC	Micro catchment
MCP	Micro-catchment plan
MCPT	Micro-catchment Planning Team
M&E	Monitoring and Evaluation
MoAF	Ministry of Agriculture and Forestry
MTR	Mid-Term Review
NWFP	Non Wood Forest Products
RIMS	Results and Impact Management System
OIM	Provincial Forestry Directorate
PFP	Provincial Focal Point
DFAL	Directorate of Food, Agriculture and Livestock
PFP	Provincial Focal Point
PPT	Provincial Project Team
PSB	Presidency of Strategy and Budget
SC	Steering Committee
PP	Procurement Plan
PPM	Project Procurement Manual
EKAP	Electronic Public Procurement Platform
NCB	National competitive bidding
DC	Direct contracting
QCBS	Quality and cost based selection
LCS	Least cost selection
OGM	General Directorate of Forestry
WA	Withdrawal Application
WUA	Water Users Association

A. Project Overview

Region:	Near East, North Africa and Europe Division	Project at Risk Status:	Not at risk
Country:	Turkey	Environmental and Social Category:	B
Project Name:	Murat River Watershed Rehabilitation Project	Climate Risk Classification:	2
Project ID:	1100001623	Executing Institution:	General Director of Forestry/Min. of Forestry & Wa
Project Type:	Agricultural Development	Implementing Institutions:	not available yet
CPM:	Bernard Hien		
Project Director:			
Project Area:	The hilly parts of the Murat river watershed (the upper watershed of the Murat/Euphrates river system), which includes upland districts and villages of Elazığ, Bingöl and Muş provinces.		

Approval Date:	13/12/2012	Last audit receipt:	24/06/2020
Signing Date:	15/02/2013	Date of Last SIS Mission:	17/06/2020
Entry into Force Date:	15/02/2013	Number of SIS Missions:	11
Available for Disbursement Date:	15/02/2013	Number of extensions:	1
First Disbursement Date:	27/08/2013	Effectiveness lag:	2 months
MTR Date:	24/09/2017		
Original Completion Date:	20/01/2021		
Current Completion Date:	31/03/2022		
Financial Closure:	not available yet		

Project total financing

IFAD Financing breakdown	IFAD	\$8,200,000
	IFAD	\$27,660,947
	Near East, North Africa and Europe Division	\$430,000
Domestic Financing breakdown	Beneficiaries	\$992,000
	National Government	\$14,105,400
	Beneficiaries	\$2,664,000
	National Government	\$7,424,455
Co-financing breakdown,		
Project total financing:		\$61,476,802

Current Mission

Mission Dates:	3-18 June 2020
Days in the field:	N/A

Mission composition: Bernard Hien (Country Director),
Rikke Grand Olivera (PTL and Team Leader, Natural Resource Management Specialist),
Oliver Mundy (Natural Resources Management Specialist),
Taylan Kiymaz (Country Programme Officer),
Alaa Abdel Karim (Regional Finance Officer, FMD),
Ermina Mulahusic (Procurement Specialist),
Emmanuel Jouve (Agronomist),
Michele Pirazzoli (Rural Infrastructure Specialist)
Stefania Gnoato (Targeting, Gender and M&E Specialist)

Field sites visited: N/A

B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		5	Assessment of the Overall Implementation Performance		4

Effectiveness and Developmental Focus	5	Project Management	4
Effectiveness	5	Quality of Project Management	5
Targeting and Outreach	5	Knowledge Management	4
Gender equality & women's participation	5	Value for Money	
Agricultural Productivity	5	Coherence between AWPB and Implementation	3
Nutrition	N/A	Performance of M&E System	4
Adaptation to Climate Change	4	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)	

Sustainability and Scaling-up	5	Financial Management and Execution	4
Institutions and Policy Engagement	5	Acceptable Disbursement Rate	3
Partnership-building	4	Quality of Financial Management	4
Human and Social Capital and Empowerment	4	Quality and Timeliness of Audit	4
Quality of Beneficiary Participation	5	Counterparts Funds	5
Responsiveness of Service Providers		Compliance with Loan Covenants	
Environment and Natural Resource Management	5	Procurement	4
Exit Strategy	5		
Potential for Scaling-up	5		

Relevance

C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

The MRWRP is IFAD's ninth investment in Turkey. The project total cost at appraisal is USD 38.6 million financed through an IFAD loan of USD 27.7 million and grant of USD 0.4 million, a government contribution of USD 7.5 USD million and beneficiaries' contribution of USD 3.0 million. The IFAD credit agreement was signed on 15 February 2013. An additional IFAD Loan financing of USD 8.2 million has been approved by the IFAD Executive Board in December 2018. The completion date both for the original and for the additional financing is 31 March 2022.

In view of the COVID19 restrictions, a team from UN's International Fund for Agricultural Development (IFAD) conducted a remote project support mission from 3 to 18 June 2020 to review the progress in the Murat River Watershed Rehabilitation Project (MRWRP). The mission used reports and documents kindly provided by the project staff and e-consultations with project management staff and national stakeholders. The main objective of the mission was to review the implementation performance, identify the major achievements, as well as the challenges encountered during implementation with a view to provide guidance and support to advance implementation. More specifically, the objectives were to: i) Assess the physical and financial project implementation progress against appraisal targets and annual work plan and budget; ii) Review the status of the implementation of supervision mission recommendations carried out in Sept 2019; iii) Identify in consultation with the project counterparts and beneficiaries, actual, emerging or potential problems, and bottlenecks in project implementation; and iv) Propose recommendations to address the challenges and enhance and optimize impacts, also in relation to the availability of additional Loan financing approved by the IFAD board in December 2018.

A start-up meeting attended by the Deputy Director General OGM, the Head of department and the Project team was held on 05 June 2020. List of meetings and name of participants given in Appendix 1).

This supervision mission report details the mission's main findings and recommendations. The mission would like to thank OGM and project staff at the central and provincial levels for the constructive feedback, and seamless logistical arrangements and facilitation of documents and the various e-consultations. The second mission of the year is scheduled to take place in October – November 2020.

Key Mission Agreements and Conclusions

The project maintains good records of accomplishment, with greater perspectives following the significant increase of the budget allocation authorized in 2020 by Government. The following key points, which require follow up, by the Government over the forthcoming months have been identified and discussed during the wrap up meeting of 18 June 2020:

- **Development of the six remaining MCPs.** The project team will closely follow up on the Service Providers supporting the development of the MCPs and request interim results to allow for early procurement planning of the investment. The project team will provide close guidance on the consultation of women and vulnerable families in the MC communities. The planning process will identify interested communities where best practices and innovations can be demonstrated in: i) community rangeland rehabilitation and management; ii) upgraded livestock watering facilities that prevents animal concentration at the water sources; iii) improved waste management in the barns; and iv) afforestation and erosion control to protect the water sources and intake structures for community water facilities.
- **Monitoring of afforestation and erosion control biophysical impacts.** Erosion monitoring is well established and undertaken by CEM. For the complete monitoring of the biophysical benefits, the following three components will be given priority in 2020 and 2021: i) water study across all the MCs (guidance note in annex 2); ii) carbon benefits assessment; and iii) flood risk monitoring (responsible partner institution and collaboration arrangements to be identified in the Sustainability Plan).
- **Capacity building for future sustainability.** Capacity building achievements are still below end targets (at around 30%). Follow up training on agricultural practices and capacity building for beneficiaries across the project area are needed for sustainability after the end of the project. The Sustainability Plan (guidance note in annex 1) should include a mapping of training and technical support needs for livelihood activities after the end of the project and handover arrangements should be agreed and implemented with the institutions that will continue this support.
- **Knowledge products to document impacts and support scaling up.** In order to understand impacts on the people in the MC communities and document lessons learned and good practices, the project will conduct a cost-benefit analysis of livelihood activities (guidance note in annex 3), and a gender thematic study.
- **Finalization of investments in livelihood activities.** The project team will complete the detailed preparatory work for key investments lined up for 2021. This includes: i) engineering site assessment for barns and insulation works; ii) mobilize beneficiary co-financing; iii) clearly define the scope of investments in irrigation (with DSI); and iv) feasibility assessment of the flour mill, and roadside booths for fresh agricultural produce.
- **Targeting, outreach and gender.** Impacts on women has been reported through the Annual Outcome Survey (AOS) and anecdotal data collected during field visits. The gender thematic study planned for this year will complement this knowledge and provide guidance for future sustainability.

- **Impacts of COVID19.** The possible impact of COVID 19 at the level of beneficiary co-financing contribution capacity will need close follow-up over the next few months.
- **Project Management.** The PMU will revise the AWPB to reflect the additional financing. Clearance on the use of the balance of IFAD funding in 2021 should be obtained at the end 2020 (projected to around USD 5 million) and a corresponding additional Government allocation as per the conditions set in the additional financing agreement (2.4 million USD in total plus taxes).
- **Procurement planning.** Procurement processes should: i) be started as early as possible to provide sufficient time for cost estimation; and ii) be eventually amended in due time once quantities are confirmed through new MCPs. The register of contracts needs improvements, and transmission should be done on monthly basis to IFAD. To avoid long delays, procurements that include different geographical and/or technical areas as well as different suppliers, should be separated into separate procurements as long as the NCB method (the most transparent) is utilized.
- **Financial management.** *Disbursement:* To update IFAD records, the project should submit another WA to report spent but unjustified balances. A disbursement plan should be prepared for the remaining 20 months and updated frequently to ensure that there is enough liquidity before closure. *Accounting software:* An unfinished software developed for the project is used. The software does not produce final reports and does not offer some features such as the bank reconciliation functionality. OGM should ask for price quotation for finalizing the software programming considering cost-benefits for the remaining duration of the project. *Other financial management matters:* The project should prepare and properly file the monthly bank reconciliations for operating bank accounts and finalize the financial manual.

D. Overview and Project Progress

The investments slow down in 2019 due to limited budget allocation by Government which was fortunately increased in 2020. It was then impacted by the earthquake in Elazig in the beginning of 2020 and finally by the COVID19 restrictions on movements since March 2020.

Despite these operational challenges, the project implementation continues to be satisfactory with many output targets being exceeded. The investments in natural resources and improving livelihood of micro catchment (MC) communities cover 27 MCs exceeding the PDR target of 25. With the additional financing 6 additional MC plans will be developed and implemented. The implementation of the 2020 AWPB in terms of expenditures stands at 8%. The project team is doing the preparatory work to be able to implement investments promptly in the remaining part of 2020 including preparing the remaining six MCPs to allow for their implementation in 2021.

Component 1. Natural Resources Management

Micro catchment plans. Since the last IFAD supervision mission, the preparation of 3 new MCPs has been contracted (Beyhan in Elazig-Palu, Kurucadağ in Bingol-Merkez and Mollakent in Mus-Bulanik) to be completed by the end of July 2020. The contract for the remaining 3 MCPs (Bahçedere in Elazig-Maden, Gökçeli in Bingol- Adaklı and Polatlı in Elazig-Maden) is about to be signed and completion of the assignments is scheduled for September 2020. The mission recommends close follow up by the project on the Service Providers including the request for interim results to allow for early procurement action associated with investments in these MCs.

The project team will need to provide close guidance to the service provider on the consultation of women and vulnerable families in the MC communities and ensures that the planning process identifies areas where best practices and innovations can be demonstrated: i) required investments and capacity building for rangeland rehabilitation activities through implementation of site specific pasture management plans by community rangeland management groups (agricultural engineer); ii) options and preliminary designs for the installation of upgraded livestock watering facilities geared to prevent animal concentration by the water source (rural infrastructure specialist); iii) investment options for improved waste management in the barns to be upgraded (veterinarian); and iv) afforestation or erosion protection measures directly geared to protect the water sources and intake structures for planned and existing village water facilities (forest engineer and infrastructure specialist).

Since MTR in 2017 the project has constructed public fountains as a means to improving access to water in the beneficiary villages and increase awareness and leave lasting memories of project activities in line with local cultural practice. The project has upgraded the design of these fountains and 57 new units are planned for 2020. That would reach a cumulative output of 158 units across the 199 villages targeted in the 27 MCPs completed.

Training to strengthen participatory NRM. There has been little progress in training of project staff and communities in 2019 and 2020, except for training of staff in gender and women's leadership as recommended in the last supervision mission. Training and awareness raising will be extended in these areas to the communities as soon as the COVID19 restrictions allow.

Component 2. Investments in Natural Resources

The component includes investments in degraded forests and rangelands, as well as supportive investments in the upgrade of public nurseries and of the erosion-monitoring infrastructure. The execution of the 2019 AWPB has been affected by the delayed and partial release of the cap of expenditures in September 2019, ultimately resulting in moderate performance (52% compared to 2019 AWPB financial targets).

Afforestation, soil conservation and erosion control. Implementation of afforestation, soil conservation and erosion control activities is now catching up again as the forestry activities carried over from 2019 are currently under implementation across 2 MCs. The planned implementation of erosion control measures (to be started in 2020 and completed in 2021) across the 6 MCs under preparation, is heavily dependent on timely submission of deliverables by the MCP service providers.

Soil erosion, siltation and stream flow monitoring. Soil erosion monitoring by CEM continues in the two established sites with different plots allowing for comparing results from different types of erosion control interventions. Data are periodically analyzed overall showing positive results. Also trends in vegetation cover are monitored using remote images to determine degradation versus land improvement trends showing positive results towards improvements. CEM informed that these activities will be continued by CEM after the project.

Three components for the complete monitoring of the biophysical benefits of afforestation efforts, recommended in previous missions, are to be given priority in 2020 and 2021 and in the Sustainability Plan: i) water study across all the MCs where afforestation is implemented including a georeferenced mapping of water sources (springs and wells) that may be affected by the afforestation and erosion protection measures (guidance note in annex 2); ii) carbon benefits assessment which can be done relatively easily by using the [FAO ExAct tool](http://www.fao.org/tc/exact/ex-act-home/en/) (<http://www.fao.org/tc/exact/ex-act-home/en/>) or other tools already used in Turkey; iii) flood risk monitoring and early warning.

Communal livestock facilities The construction of Communal Livestock Facilities (CLFs), including shades, itch poles and salt licks has continued, with 9 communal livestock shelters completed in 2019 (35% of AWPB target). No progress is recorded since last supervision, yet the 197 units completed represent a manifold increase compared to the appraisal target of 24 units. The project civil engineers carried out some minor tailoring to the standards designs to be applied from the 48 additional CLFs planned for implementation before September 2020 and onwards. However, none of these units is reported to include the vet facilities piloted and reportedly used extensively at 7 sites in Mus. The extension of such pilots in Elazig and Bingol shall be considered if supported by site specific conditions and prospects for contributing to improved livestock health.

Rangeland management. The achievement of 3,416 ha (284% of cumulative target) for one of the key progress indicators under Component 2 (Rangeland land rehabilitation) represents the aggregate size of the pastures served by CLFs built by the project. The mission recommends to use a more precise description in the reporting, as CLF alone without any rangeland rehabilitation and management activities cannot be counted and reported as rangeland rehabilitation. The implementation of CLFs have been implemented in close coordination with the concerned rangeland commission (at the PDA), however, carrying out community based rangeland management plans in the project area remains very challenging and with little progress. Opportunities for strengthening community based rangeland management including investments in seeding for pasture regeneration or rotations with temporary enclosures, should be actively pursued in the context of MCP preparation.

Livestock water facilities. No progress was recorded in the review period regarding the installation of water facilities for livestock as part of CLFs. The facilities provided by the project to date consist of galvanized steel troughs supplied by a short length of pipe, which have currently reached 344 units (nearly 10 times the target), while absorbing only 50% of the budget allocated in the PDR. More than 100 additional units are anticipated for installation in 2020. The ongoing preparation of the 6 new MCPs provide a last opportunity to pilot alternative technical options including e.g. the development of multiple distribution lines geared to prevent animal concentration at the water sources in the rangelands or the development of shallow wells with solar pumping. The mission recommends the project to follow up on this by requesting the concerned service providers to explore the feasibility of such alternatives.

Public nursery upgrade. Project supported investments in two OGM nurseries in Elazig and Bingol are completed and continue showing positive results in terms of increased output and diversification of seedlings produced as well as in terms of employment generation including for women. There are no additional investments foreseen in these nurseries in 2020.

Component 3: Investments in Improved Livelihoods

The Component includes investments both in productive and non-productive assets, requiring beneficiaries' contributions of 20%. Because of the delayed (and partial) release of the cap of expenditures in late September 2019, the expenditures for this component reached only 80% of the 2019 AWPB financial target. The main physical output targets have been exceeded or are on track to be achieved by completion. With only the 2021 AWPB period left to undertake physical works, during 2020 the project team needs to complete the detailed preparatory work for key investments lined up for 2021; mainly: i) carry out the engineering site assessment for barns and insulation works; ii) mobilize beneficiary co-financing; and iii) clearly define the scope of investments in irrigation. Moreover, during the review period the project has developed proposals for additional activities, including: i) the development of a flour mill; ii) construction of roadside booths for marketing of fresh agricultural produce; and iii) provision of roof material for houses unsuitable to receive support for

insulation, which also need to be prepared.

Barn Rehabilitation The project has not upgraded additional barns since the last supervision mission. The cumulative stands at 391, or 78% of the final target (500 barns). With 85 additional units identified for rehabilitation or new construction in 2020 and with the additional units to be procured in 2021, the target is highly likely to be exceeded at project end. While the remote interaction with beneficiaries confirmed the satisfaction and the widespread benefits of barn rehabilitation, no specific investment or plan for addressing the issue of proper manure management, raised by the last supervision, has been developed to date. The mission reiterates the relevance of this aspect in the development of models of good practice and notes that the construction of new barns provides an opportunity to incorporate relevant upgrades on the floor design to facilitate cleaning and manure collection.

Small scale irrigation development. There has not been progress in implementing complementary irrigation works planned by DSI (with own funding estimated up to USD 10 million). The Project reviewed the DSI designs and submitted them to the Eastern Anatolia Regional Development Agency (DAP) for potential faster financing. The proposal submitted to DAP for 2020 includes 4 new village wide irrigation networks in 2 MCs (Buyukdere and Sipini) in Elazig valued at about USD 1.5 million.

The collaboration with DSI and DAP (that was not anticipated in the PDR) resulted in the mobilization of USD 1.2 million parallel financing for: i) the rehabilitation of village wide irrigation networks across 3 MCs (DAP); ii) construction of new small scale irrigation schemes across 2 MCs in Mus (DSI-Van); and iii) hydrological investigations, detailed designs and BOQs for small-scale piped irrigation schemes in Bingol and Elazig (4 MC and 2 MC, respectively) covering nearly 4,000 Ha of command area across 38 villages. These are to be rated as positive outcomes of the project efforts to attract investments in the project area.

Irrigation rehabilitation and upgrading. The project also continues to support the replacement of critical sections of dilapidated open channels with Polyethylene pipes depending on needs identified in the MCPs. This activity has proven effective at reducing water losses and triggering farmers' own investments for on farm development. To date, 23 km of irrigation networks have been upgraded (93% of target) across 10 MCs; the cumulative target is likely to be exceeded already by end 2020 as some additional 3km are planned for implementation to fulfil the requirements of 3 MCs.

Investments in Greenhouses, Drip Irrigation, orchards and vineyards: Due to the external factors (earthquake and COVID19) no additional investment was recorded in 2020 at the exception of irrigated fodder production. This activity has reached (61% of the target area) while non irrigated fodder production has been ceased. Other activities have reached or exceeded their appraisal targets: Improving wheat and barley (205% of target acreage), installation of orchards (100%), greenhouses (95%), and vegetable production (100%).

Market linkages (roadside booths). The project has elaborated a proposal to invest in the construction of roadside booths to facilitate marketing of fresh agricultural produce from the targeted MCs. The project civil engineer has developed detailed drawings, BOQs and supported cost estimates for the structures (about USD 3,800 per unit). These investments would be co-financed to the standard level of 20% by the beneficiaries. Additional eligibility criteria are to be considered by the Project: i) existence of a contractual relationship between the booth owner and local small-scale producers; and ii) the type of applicable sale licencing (restricted to local agri products).

Proposed Flour mill establishment. Because on beneficiaries expressed difficulties with using the piloted domestic mills in the Gokdere MC in Elazig, the project civil engineer has reviewed (from a manufacturer of milling equipment) detailed drawings, BOQs and supported cost estimates (about USD 45,000 for civil works and USD 65,000 for the equipment) for the establishment of a new flour mill. During consultations with the project team, it was agreed that several aspects of the investment must be assessed to ensure its viability: (i) marketing and social capital rationale: local needs and potential value adding compared to current arrangements; (ii) project ownership: communes, farmers organisations such as cooperative, private entity; (iii) business model: the mill's functions are to buy raw product, process and sale flour, or to provide a paid-for service to farmers; (iv) determine break even points: flour production costs and/or service affordability for the farmers; (v) business plan; (vi) O&M and management arrangements: costs, responsibilities and financing; and (vii) potential risks and impacts: management risks, market risks, social impacts, mitigation of environmental impacts and climate related aspects (water and energy use and waste). The project technical team agreed to review the feasibility of the proposed investment and to share the assessment report with IFAD.

Promoting energy and wood saving technologies (non-productive assets). The remote interaction with beneficiaries and the review of the outstanding requests for investment support confirmed appreciation for energy saving technologies offered by the project on a cost-sharing basis. The preparatory work for a USD 1 million investment in 2020 is completed. The quantitative assessment of benefits (both in monetary terms and in terms of corresponding forest area (ha) spared from firewood harvesting) based on a representative sample shall be an integral part of the carbon benefit and the cost-benefit analysis which are still to be contracted in 2020.

Hot water panels. The installation of hot water panels achieved an execution rate of 82% of the 2019 AWPB target. To date, 3649 hot water panels have been installed since the start of the project and more than 300 units are planned for installation in 2020. This shows already a threefold increase of the PDR physical cumulative target of serving 1250HH. Moreover, the number of units installed in 2020 may increase considerably (up to some 400 additional units) to meet the

demand from the 6 new MCs, subject to quick assessment in the MCP processes and timely mobilization of the required financing.

Insulation of village houses. With a relatively high physical execution rate of the 2019 AWPB (80%), investments in house insulation continue showing high preference from beneficiaries and delivery from the project. To date, the project has supported insulation of 2390 HH having largely exceeded the PDR target (380%). Since the last supervision, three additional contracts for the insulation of 74 houses have been signed, and the works are to start shortly as soon as possible after COVID19 restrictions are lifted. The procurement of additional packages of investments in insulation across 3 MCs is underway for an additional 644 units. Implementation in 2020 may absorb up to twice the initial AWPB allocation of USD 424,000, however mobilization of beneficiaries co-financing might be a bottleneck for rolling out these investments. The additional demand from MCs currently under implementation may also absorb a substantial share of 2021 AWPB allocation and the project shall in 2020 complete all the engineering assessments of each building to be upgraded in 2021. The relevance of this activity is more than anticipated and has required a reallocation of IFAD funding, approved at MTR, and a sizable share of the USD 8.2 of IFAD top up financing. The reported reduction in fuel usage (about 40-50%) in insulated houses results in reduced firewood harvesting, lowering the pressure on forest resources.

Corrugated iron roof sheets. For houses that were technically unsuitable for the installation of insulation panels the project has provided ad-hoc support to HHs with material (corrugated galvanized iron sheets) for roof construction on a co-financing basis. As the project is considering including this activity in the main menu of eligible investments for MRWRP support for livelihood improvement, the mission highlights that while such investments are socially relevant, they do not directly contribute to the objective of reducing pressure on natural resources. To this effect, the mission recommended to: i) ensure this investment clearly targets the most vulnerable households; ii) disaggregate reporting of houses receiving the roof materials (currently 245) and those supported with insulation; iii) promote access to alternative support measures offered under the project; and iv) provide supported cost and quantity estimates in the 2020 investment plan for this activity.

Energy efficient cooking/heating stoves. During 2019, 173 additional units of energy efficient stoves were distributed across targeted MCs. While this was only 35% of the 2019 AWPB target, the project team's effort made since the last IFAD supervision to fast track procurement and delivery before winter is appreciated. Due to the widespread demand and its low unit cost, this activity has exceeded the PDR outreach target by serving a total of 4,789 HH since the start of the project (373% of planned) while absorbing a fraction of the funds allocated. The procurement process for the additional 380 units foreseen in the 2020 AWPB is expecting delivery latest by September.

Village bakeries. The construction of communal village bakeries has been introduced from 2016 among the eligible investments in energy savings technologies for livelihood improvement. A total of 22 bakeries have been built to date (44% of cumulative target). The AWPB 2019 execution was 44% (4 new bakeries built of 9 planned). Site surveys, locations and designs to an upgraded standard with additional working space have been completed for 9 additional bakeries, to be included in the revised 2020 AWPB, reaching 62% of end target. The complementary slope stabilization works to be undertaken by beneficiaries at the bakery built in 2019 at Yamac village in Bingol have been reportedly completed. In the cost-benefit analysis, the impact of these investments shall be assessed both in terms of improved health and women welfare and environmental benefits (reduced firewood usage). Additional positive impacts may include the development of baking micro businesses.

Agreed Action	Responsibility	Agreed Date
Component 3: Investments in Improved Livelihoods / Upgraded Floor Design Upgraded floor design for improved hygiene and manure management included in newly constructed barns	FOU/PDA	08/2020
Component 3: Investments in Improved Livelihoods / Progress Report to be Corrected Progress reporting on House Insulation to be corrected	FOU/PPTs	08/2020
Component 1: Natural Resources Management / Identification of Areas for Implementation Follow up with MCP Service Provider on identification of areas for implementation of best practices and innovations (rangeland management, water source protection, waste management in the barns) (Main recommend)	FOU/PPTs	09/2020

Component 3: Investments in Improved Livelihoods / Assess Proposed Investment Assess feasibility of the proposed investment in flour mill and circulate assessment report (Discussed with PTT on 11/06)	FOU/PPTs	09/2020
Component 3: Investments in Improved Livelihoods / Monitoring and Management for Communal Bakeries Built Monitor the frequency of use and management arrangements for communal bakeries built	FOU	09/2020
Component 3: Investments in Improved Livelihoods / Coordination with PDA Formally agree with PDA on a sustainability plan (beyond project completion date). Initiate formal handing over of completed project elements / activities and agree on joint monitoring and follow up as per PDA's mandate	FOU/PTT with PDA	09/2020
Component 1: Natural Resources Management / Detailed Preparatory Work Complete the detailed preparatory work for key investments lined up for implementation in 2021	FOU/PPTs	10/2020
Component 2. Investments in Natural Resources / Assessment Carbon benefit assessment (Use eventually the FAO Exact tool)	OGM/CEM	12/2020
Component 2. Investments in Natural Resources / Identifying the Partner In the Sustainability Plan, identify a partner who can take on the responsibility for Surface flow modelling/flood risk monitoring and early warning after the end of the project	CEM	05/2021
Component 2. Investments in Natural Resources / Water Study Water study across all targeted MCs as baseline for long term impact assessment of afforestation/erosion protection on water resources (Main recommend Guidance note in annex 2)	CEM	05/2021
Component 2. Investments in Natural Resources / Best Practises Implement and document best practices in rangeland rehabilitation and related infrastructure as identified in 6 new MCPs	FOU/PPTs	12/2021

E. Agreed Actions

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Overview and Project Progress		

Component 3: Investments in Improved Livelihoods / Upgraded Floor Design Upgraded floor design for improved hygiene and manure management included in newly constructed barns	FOU/PDA	08/2020
Component 3: Investments in Improved Livelihoods / Progress Report to be Corrected Progress reporting on House Insulation to be corrected	FOU/PPTs	08/2020
Component 1: Natural Resources Management / Identification of Areas for Implementation Follow up with MCP Service Provider on identification of areas for implementation of best practices and innovations (rangeland management, water source protection, waste management in the barns) (Main recommend)	FOU/PPTs	09/2020
Component 3: Investments in Improved Livelihoods / Assess Proposed Investment Assess feasibility of the proposed investment in flour mill and circulate assessment report (Discussed with PTT on 11/06)	FOU/PPTs	09/2020
Component 3: Investments in Improved Livelihoods / Monitoring and Management for Communal Bakeries Built Monitor the frequency of use and management arrangements for communal bakeries built	FOU	09/2020
Component 3: Investments in Improved Livelihoods / Coordination with PDA Formally agree with PDA on a sustainability plan (beyond project completion date). Initiate formal handing over of completed project elements / activities and agree on joint monitoring and follow up as per PDA's mandate	FOU/PTT with PDA	09/2020
Component 1: Natural Resources Management / Detailed Preparatory Work Complete the detailed preparatory work for key investments lined up for implementation in 2021	FOU/PPTs	10/2020
Component 2. Investments in Natural Resources / Assessment Carbon benefit assessment (Use eventually the FAO Exact tool)	OGM/CEM	12/2020
Component 2. Investments in Natural Resources / Identifying the Partner In the Sustainability Plan, identify a partner who can take on the responsibility for Surface flow modelling/flood risk monitoring and early warning after the end of the project	CEM	05/2021

Component 2. Investments in Natural Resources / Water Study Water study across all targeted MCs as baseline for long term impact assessment of afforestation/erosion protection on water resources (Main recommend Guidance note in annex 2)	CEM	05/2021
Component 2. Investments in Natural Resources / Best Practises Implement and document best practices in rangeland rehabilitation and related infrastructure as identified in 6 new MCPs	FOU/PPTs	12/2021
Development Effectiveness		
ORMS logframe Update the ORMS Logframe data to follow up progresses and to guide decision making over future project activities.	CEM, IFAD	10/2020
Beneficiary Training Beneficiary training in gender awareness and leadership	FOU	12/2020
Sustainability and Scaling up		
Sustainability Plan Initiate the preparation of a sustainability Plan with prior to enhance ownership, ensure viability and resume the delivery of services 1. (Draft format in Annex 1)	COU, FOU	10/2020
Capacity Building and Monitoring Ensure capacity building needs of beneficiaries of livelihood activities are monitored and addressed	PPTs in collaboration with PDA and DSI	12/2020
Monitor biophysical benefits of afforestation efforts For monitoring the benefits of afforestation, three studies namely mapping of water resources, carbon benefits assessment and flood risk monitoring and early warning are recommended to CEM.	CEM	12/2020
Project Management		
Project Staffing Make sure project staffing is implemented as agreed in previous missions to avoid shortages in the last important implementation period	OGM	08/2020
Disbursement Plan Prepare a disbursement plan for the investment costs for the 20 remaining months	OGM	08/2020
Cost Benefit Analysis Cost benefit analysis in line with mission's recommendations. CBA study to exclude afforestation assessment (to be covered in CEM study) (Guidance note in annex 3)	CEM	09/2020

Thematic Study Gender Thematic Study	CEM	12/2020
Lessons Learned and Successful Approaches Develop a knowledge on lessons learned and successful approaches for participatory micro catchment planning and management	FOU	12/2020
Develop a Learning Note Develop a learning note on the causes of success or failure in project implemented pilot activities on rangeland rehabilitation	PPTs, FOU, consultants as required	12/2020
Financial Management & Execution		
Register of Contracts To submit dully filled register of the contracts to IFAD on a monthly basis	Procurement Officer	07/2020
Procurement Plan Adherence to the LTB and PPM is required in regards to the determination when prior and post review needs to be utilized. The Plan needs to be updated regularly with actual dates	Procurement Officer	07/2020
Bidding Period the Period allowed for the preparation of bids needs to ensure minimum competition. A minimum of 30 days should be given in the case of National competitive bidding and Request for Proposals	Procurement Officer	07/2020
Technical Report The technical scoring system needs to be described and explained in the technical evaluation report	Procurement Officer	07/2020
Bank reconciliations for Operating Accounts Prepare, file and sign on monthly basis back reconciliations for the project's operating bank accounts. Signed bank reconciliations for the operating accounts to be sent to IFAD for June by 10th of July.	Finance unit at COU-OGM	07/2020
Submit WA to justify utilized amount under grant Project to submit WA for justification only to reflect actual progress under the grant, amount utilized but unjustified is around \$80K	Finance unit at COU-OGM	08/2020
Revised AWPB for 2020 Revise AWPB to reflect the additional budget allocation	COU-OGM	08/2020
Finalizing the financial manual Financial manual to be prepared and finalized before the disbursement of the additional financing starts	Finance unit at COU-OGM	12/2020

<p>In-kind contribution</p> <p>Prepare a list of in-kind contributions provided by the government and including it in the notes of the financial statements for 2019. As no work has been done on this, action is extended till end of FY 2020, project to calculate and report in-kind contribution received from the government and the beneficiaries</p>	<p>Finance unit at COU-OGM</p>	<p>12/2020</p>
<p>Quarterly submission of IFRs</p> <p>Interim financial reports (IFRs) to be submitted on quarterly basis as indicated in the LTB on the 15th of the following month</p>	<p>Finance unit at COU-OGM</p>	