

Turkey

Uplands Rural Development Programme Supervision Report

Mission Dates: 3 November/ 21 December 2020
Document Date: 22/01/2021
Project No. 2000001409
Report No. 5648-TR

Near East, North Africa and Europe Division
Programme Management Department

Abbreviations and Acronyms

AKADP	Ardahan Kars Artvin Development Project
AWPBs	Annual Work Plans and Budgets
BOQs	Bills of Quantities
CPMU	Central Project Management Unit
EDC	Economic Development Cluster
EUR	Euro
FA	Financing Agreement
FST	Farmer Support Team
GDAR	General Directorate of Agrarian Reform
GovT	Government of Turkey
GRM	Grievance redress mechanism
GTWDP	Göksu Taşeli Watershed Development Project
HH	Household
IFAD	International Fund for Agricultural Development
KGf	Kredi Garanti Fonu (Credit Guarantee Fund)
KM	Knowledge Management
M&E	Monitoring and Evaluation
MoAF	Ministry of Agriculture and Forestry
MFI	Micro Finance Institution
MG	Matching Grant
MRWRP	Murat River Watershed Rehabilitation Project
MSME	Micro- Small and Medium Sized Enterprise
MSP	Multi-stakeholder Platform
O&M	Operations and Management
PDA	Provincial Directorate of Agriculture (and Forestry)
PFI	Participating Financial Institution
PIM	Programme Implementation Manual
PRM	Procurement Risk Matrix
PSB	Presidency of Strategy and Budget
RPMU	Regional Project Management Unit
SIP	Strategic Investment Plan
SME	Small and Medium Size Enterprise
TL	Turkish Lira
TORs	Terms of Reference
UNDP	United Nations Development Program
URDP	Uplands Rural Development Programme
VC	Value Chain

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:	Uplands Rural Development Programme	Climate Risk Classification:	2
Project ID:	2000001409	Executing Institution:	Ministry of Food, Agriculture and Livestock
Project Type:	Storage, processing and marketing	Implementing Institutions:	Kredi Garanti Fonu
CPM:	Bernard Hien		
Project Director:	not available yet		
Project Area:	Two regions in a total of six provinces: The Eastern Mediterranean (Adana, Mersin, Osmaniye) and Western Black Sea (Bartın, Kastamonu, Sinop)		

Approval Date:	11/12/2017	Last audit receipt:	02/05/2019
Signing Date:	26/12/2017	Date of Last SIS Mission:	21/12/2020
Entry into Force Date:	05/03/2018	Number of SIS Missions:	3
Available for Disbursement Date:	02/11/2020	Number of extensions:	0
First Disbursement Date:	15/05/2019	Effectiveness lag:	3 months
MTR Date:	not available yet		
Original Completion Date:	31/03/2023		
Current Completion Date:	31/03/2023		
Financial Closure:	not available yet		

Project total financing

IFAD Financing breakdown	IFAD: AFD loan	\$40,907,764
	IFAD	\$21,000,000
	Near East, North Africa and Europe Division	\$1,048,470
Domestic Financing breakdown	Kredi Garanti Fonu	\$2,909,500
	Beneficiaries	\$12,731,970
	National Government	\$18,273,450
Co-financing breakdown,	To be determined	\$0
Project total financing:		\$96,871,154

Current Mission

Mission Dates:	3 November/ 21 December 2020
Days in the field:	Remote Mission
Mission composition:	Mr. Bernard Hien IFAD Country Director, Mr. Taylan Kiymaz, IFAD Programme Officer; Mr Michele Pirazzoli Consultant Mission Leader; Mr. Marc De Sousa-Shields IFAD Lead Technical Specialist, Rural Finance and Markets , Mr. Mohamed Khlass Financial Management Specialist, Ms. Juliane Friedrich Targeting, Gender and Social Inclusion Specialist, Mr. Frederic Kagaba Procurement Specialist, Mr. Thierry Lassalle Value chain Specialist, Ms. Marion Triquet M&E Specialist and Mr. Bakhtiyor Zuhurov Environmental 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		3.83	Assessment of the Overall Implementation Performance		3.82

Effectiveness and Developmental Focus	4	Project Management	4
Effectiveness	3	Quality of Project Management	4
Targeting and Outreach	4	Knowledge Management	4
Gender equality & women's participation	4	Value for Money	4
Agricultural Productivity	N/A	Coherence between AWPB and Implementation	3
Nutrition	N/A	Performance of M&E System	4
Adaptation to Climate Change	4	Social, Environment, and Climate Standards requirements	4

Sustainability and Scaling-up	4	Financial Management and Execution	4
Institutions and Policy Engagement	N/A	Acceptable Disbursement Rate	2
Partnership-building	4	Quality of Financial Management	4
Human and Social Capital and Empowerment		Quality and Timeliness of Audit	
Quality of Project Target Group Engagement and Feedback	4	Counterparts Funds	5
Responsiveness of Service Providers	4	Compliance with Loan Covenants	4
Environment and Natural Resource Management		Procurement	4
Exit Strategy			
Potential for Scaling-up			

Relevance

C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

A mission from the International Fund for Agriculture Development (IFAD)^[1] was undertaken from November 30th to December 14th, 2020 for the supervision of the Uplands Rural Development Programme (URDP) in Turkey. The URDP is an 8-year programme that entered into force on 5/03/2018 and consists of 2 phases. Its first 5 year phase is scheduled to be completed on 31/03/2023.

The purpose of the Supervision Mission (SM) was to assess progress, follow up on agreements reached at the first partial supervision mission held in December 2019 and provide implementation support. While noting the factors that have hampered physical implementation of project's planned investments for 2020 under the URDP components and sub-components, the SM mission took a forward looking approach to: i) assess readiness for implementation of key project activities; ii) identify possible improvements in approaches to implementation; and, iii) jointly address with the Central Project Management Unit (CPMU) potential bottlenecks that may constrain the successful implementation of the 2021 AWPB.

As the COVID-19 situation prevented field visits in-country, this mission was conducted virtually via online meetings and document exchanges with CPMU staff of the Survey and Projects Department (SPD) as well as Regional and Provincial Project Management Units (RPMUs and PMUs) staff in the target areas. Virtual meetings were undertaken with project beneficiaries, including approved matching grant applicants and representatives of Multi Stakeholder Platforms (MSPs) established by the Project. UNDP which is providing implementation support to URDP under a Specific Service Agreement signed with the Lead Implementing Agency, participated in key meetings. This Supervision Mission (SM) Report documents the mission's findings and agreements reached during a virtual wrap-up meeting held on 14th December 2020 with Mr. Metin Turker the Deputy Director General of the Department of Agricultural Reform (GDAR) of the Ministry of Agriculture and Forestry (MoAF). In line with the agreements reached at the wrap up meeting, the SM Report, the mission proposals for the revision of relevant sections of the programme implementation manual (PIM), guidance for future implementation and TORs for selected assignments are included in Appendix 4 of this report.

^[1]Mr. Bernard Hien IFAD Country Director, Mr. Taylan Kiymaz, IFAD Programme Officer; Mr Michele Pirazzoli Consultant Mission Leader; Mr. Marc De Sousa-Shields IFAD Lead Technical Specialist, Rural Finance and Markets, Mr. Mohamed Khlass Financial Management Specialist, Ms. Juliane Friedrich Targeting, Gender and Social Inclusion Specialist, Mr. Frederic Kagaba Procurement Specialist, Mr. Thierry Lassalle Value chain Specialist, Ms. Marion Triquet M&E Specialist and Mr. Bakhtiyor Zuhurov Environmental Specialist.

Key Mission Agreements and Conclusions

Thanks to a satisfactory settlement of budget limitation challenges and a notable preparatory work, physical delivery on the ground will begin in 2021 following the processing of the first Withdrawal Application by IFAD in December 2020. The preparatory work undertaken by the MoAF in 2020 provides a solid foundation for the project to deliver at a much greater pace the services in demand by beneficiaries. Building on the current momentum, the mission recommends the 2021 AWPB consider prioritizing investments that directly contribute the integrated territorial development approach. Key priority actions are the following:

2021 budget envelope and infrastructure prioritization. The review of the overall budget envelope up to the end of 2021 will be used as a basis for the preparation of the 2021 AWPB of EUR 5.2 mill (i.e. approximately 1.0 mill EUR less than in the SPD original plans). The investments in public infrastructure identified in 2020 alone (mainly livestock markets, irrigation rehabilitation and rural roads) amount to about EUR 6.4 million. Based on the experience of 2020 and major AWPB revision in May 2020, the mission recommends priority ranking these investments on the basis of: i) readiness for implementation (availability of detailed drawings, Bills of Quantities and technical specifications); ii) clarity of implementation and supervision arrangements (cleared by UNDP); iii) number of beneficiaries and volume of production impacted; and, iv) prospects for sound Operation and Maintenance (O&M). Such prioritization should be carried out in close coordination with MSPs and would provide added flexibility in cases of increased availability of funding during the year allocated by the PSB.

Laying the foundation for core activities. In 2021, the demand for infrastructure investments, matching grants, production demonstrations will be significant in regards of the carryover from the 2020 AWPB. While delivering on the investment, the Programme management will need to pay attention to the following core activities: i) studies to initiate marketing and branding activities (under Sub-component 1.5); ii) developing a youth targeting strategy; iii) hiring the Rural Finance Specialist to lead implementation of the Rural Finance Guarantee Fund.

Payment of approved matching grants. Upon receipt of IFAD funding (Withdrawal Application 1), the Programme will expedite disbursements for the approved 530 matching grants (EUR 560,000, of which 70% financed by URDP). It will further ensure that future rounds of matching grant applications are aligned with the agricultural calendar.

PIM revision. The current PIM does not accurately reflect project categories and IFAD handbook for Financial Reporting and Auditing. In addition, because the technical assistance provided by UNDP was not anticipated in the design,

amendments to the PIM are to be carried out by the SPD according to the mission recommendations detailed in Appendix 4 of this SM report.

D. Overview and Project Progress

Overall achievements

The Programme is financed over an 8 -year period and still have 5 years left in implementation. Following the entry into force on 5 March 2018, IFAD released to the Programme, EUR 390.000 financing, to support start-up activities for meeting the conditions for first disbursement: i) recruitment of the personnel, ii) setting up of the financial management system, iii) preparation of the Programme Implementation Manual (PIM), and iv) signing of a MoU with the Credit Guarantee Fund. The first partial supervision mission which took place a year ago, depicted an overall delay in implementation as activities on the ground had not started since the official launch of the Programme in March 2019. The limited implementation records was driven mainly by a budget limitation policy enforced by the Government of Turkey since 2018.

With the dedicated work by the SPD and PPMU staff, the Programme met the disbursement criteria on 28 October 2020, allowing submission of the first Withdrawal Application to IFAD November 2020.

Quantitative programme achievements to date include the development of 22 SIPs (55% of the revised Programme target) with an estimated outreach of 25,000 beneficiary HHs^[2] (83% of the Phase 1 target). The SIPs were developed in consultation with 16 MSPs established or strengthened by the project. Consultations included identification of critical public economic infrastructure investments (28 units) requested and operated by legal entities (10 units), as well as the collection and evaluation of applications for 3,196 demonstrations and 5,720 matching grants for over EUR 6,5 million. 530 matching grants are approved, with some partly prefinanced by beneficiaries.

These are notable achievements, requiring mobilization of substantial resources (mainly from PDAs own operating budgets and seconded staff) initiated with the programme's entry into force in March 2018 (only partly recorded as URDP counterpart funding). The project will include a retroactive assessment of these contributions in the Financial Statements of 2020 (see section below on Financial Management). To date, the project has mobilized 84 seconded staff at the regional/provincial level (of which 40 Farmers Support Team or FST members) and 6 contracted specialists at the CPMU (full time or shared with GTWDP attached to the SPD).

Component 1. Development of upland Economic Development Clusters

Under this Component, Multi Stakeholder Platforms (MSPs) established or strengthened in each EDC plan and implement cluster investments according to SIPs. These include directly and indirectly linked cluster supporting infrastructure, farmers skills development, strengthening of farmers' organizations, individual investments in productive infrastructure and support for regional branding and geographical indication relevant for the cluster. There are five sub-components supporting these activities.

Sub-component 1.1: Establishment of EDC Multi-Stakeholder Platforms: With participation of relevant economic actors in each area, the project has established 16 MSPs: 13 in the three Mediterranean Provinces and three in the three Black Sea Provinces (where it developed existing regional planning platforms). To date, MSPs had a primary objective to support the development of 22 SIPs (13 in the Mediterranean Provinces and 9 in the Black Sea Provinces) for each of the EDCs identified and approved by the MoAF. The SIPs are aligned with the URDP 8-year implementation period, aiming to provide a clear and flexible framework for investment. The mission reviewed 3 SIPs (translated into English) and found they clearly identified key value chains, demonstrated a balance between existing mainstream (e.g., dairy and cattle, nut and fruit crop trees) and innovative value chains (e.g., greenhouses production, rain fed indigenous cereals, honey by-products). SIPs were supported by a detailed economic analysis of profitability (production costs and expected income). However, aggregate planning at the Provincial level has not yet fully translated EDC/SIP logic linking the 5 programme sub components (see also section below on Development Effectiveness).

Sub-component 1.2: Cluster-supporting economic infrastructure: With specific reference to the implementation of infrastructure activities (both in the public domain and as matching grants for cooperatives/ producer associations) Project developed SIPs have identified 38 infrastructure investments valued initially at EUR 7 million in total. Investments are in both public domain and cooperatives/ producer associations matching grant applications, and include, for example, livestock and vegetables markets, irrigation rehabilitation and rural roads, as well as processing and collection centres.

Appropriate steps have been taken to address capacity gaps in civil engineering capacity to support civil works implementation by initiating the recruitment of two Regional Civil Engineers -expected to start working in January 2021 - to provide critical Quality Assurance and Technical Supervision of construction design and works (e.g., structural soundness of markets and communal sheds in high snowfall regions). Relevant experiences and detailed design for rangeland infrastructure can be shared with the ongoing IFAD financed MRWRP in Central East Anatolia. Appropriate mitigation measures against potential environmental hazards (e.g., waste management from livestock markets and slaughterhouses) would be addressed through the recommended hiring of a Climate Change Adaptation and

Environmental Safeguards consultant (see sections on Climate Change and SECAP below).

In order to accelerate implementation of public key infrastructure, the project has made agreements with municipalities and SPAs in the three URDP Black sea provinces for the procurement and implementation of six civil works packages valued at EUR 3.5 M (including 1 livestock market under construction in Boyabat in Sinop). Procurement of works through a third party under National Execution was applied in the IFAD financed AKADP, albeit limited to road and water supply investments. As communicated by IFAD, expenditures incurred for the implementation of these investments would be retroactively financed, subject to the outcomes of a procurement assessment commissioned by IFAD. The project has identified an additional 15 public infrastructure investments to be procured directly by the project through the UNDP. These investments range from basic livestock troughs and pastureland cattle sheds, to livestock markets and roads and irrigation schemes upgrading (estimated value EUR 2.7 M), all reportedly completed with full detailed designs and costed BoQs. Sample designs reviewed by the mission shows adequate attention to relevant technical standards.

Investments in shared economic facilities collectively operated by either farmers cooperatives or producers' associations (6 in Kastamonu and 4 in Bartın), have been processed and two projects found eligible by the ad-hoc Ministerial Committee established by the programme to evaluate group infrastructure grant applications (75% financed by the project). Implementation of these investments could be fast tracked as they do not involve procurement of civil works or equipment as they are carried out by the beneficiary group.

Sub-component 1.3: Farmers skills and organization. The Programme identified several innovative practices in the selected value chains. The project has solicited and received applications for 3,196 individual demonstrations on 24 innovative production and processing practices^[3] for an estimated value of about EUR 1 mill^[4] Calls for demonstration applications have focused on livestock forage production and improved practices across the six targeted provinces and, to a lesser extent, on orchard establishment in the three Mediterranean provinces. Due to funding delays no demonstrations have been developed. Given the large number of procurements involved for demonstrations, the mission recommends close follow up on the preparation of technical specifications in coordination with UNDP. The mission wishes to remind the programme that demos must involve MSPs in order to share lessons learnt and recommendations. In addition, demos should be conducted as Farmers Field Schools (FFSs) where possible, with producers directly involved in assessing innovations and production/economic results (see section below on Human and Social Capital and Empowerment).

The project has not yet developed a youth targeting strategy, to be operationalized into a detailed and site-specific training plan. The delivery of targeted training for the youth in 2021 will be instrumental to starting delivery of dedicated youth entrepreneurship packages from 2022 onwards. The strategy and the training programme should engage MSPs to facilitate the identification of interested youth who would receive mentoring, as well as theoretical and practical training. This activity would largely benefit from the appointment of dedicated gender and targeting focal points (see also section on Targeting and Outreach below). The programme may consider allocating some of the training funding available to a training program for cooperatives development to be developed in partnership with regional cooperative apexes, particularly in sub-EDCs where common infrastructure are planned to be developed (see section on Partnership-building).

Sub-component 1.4: Individual investment in productive infrastructure: URDP has adopted an open and proactive approach to support individual beneficiaries in EDCs through matching grant applications on the MoAF website with the involvement of FSTs (e.g., equipment and materials relevant to the value chains identified in the SIPs), financed to a level of 70% with the balance matched in cash and cash or in kind for nomad pastoralists. URDP received 5,720 applications of which 4,046 were approved by the MoAF, 1,242 where put on a reserve list, 432 (7.5%) were rejected. Of these, 530 have been approved for payment for approximately EUR 560,000.

The mission met virtually with applicants that have prefinanced investment in excess of their 30% share (plus 18% VAT, equivalent to 41% of the total investment). While showing investors' commitment, the project needs to complete matching grant payments as a matter of priority to avoid increasing beneficiary economic vulnerability.

The basic analysis of the 530 matching grants shows noticeable linkage between elements in the SIP. The mission encourages the programme to continue involving MSPs in SIP preparation in order to maximise the leverage effect of common investment. The mission appreciated that each of the reviewed SIPs contains the average economic margin to be expected from each commodity. On this basis, it is interesting to estimate the tentative economic profitability for each matching grant delivered by comparing the situation before and after the investment (at least a 20% net return). A simple tool to establish economic profitability at individual level and as well as at the EDC level was shared with the project team and is shown in this report in Appendix 4.

Sub-component 1.5: Regional branding and geographical indication. The mission notes that this subcomponent is referred to in PMU documentation as "cross expertise." Cross expertise may indeed be required but targeted to the achievement the ultimate objectives of this subcomponent (i.e. regional branding and geographical indication) as indicated in the PDR.

To this effect, the process that was followed for branding the Kastamonu garlic prior to the start of URDP could be reviewed and used as a case study for branding other commodities. The SIPs that agro- and ecotourism could also provide the basis for such strategic development.

Since regional branding and geographical indication are long processes involving many stakeholders - including academics- specially to produce all needed studies to document the application for geographical indication, the mission encourages MSPs to better detail their vision about this aspect that would provide the basis for identifying the relevant partners and stakeholders to be involved in such branding processes (particularly the documenting aspects that may involve market research) as well as the expected economic impact and the associated marketing needs. These are potentially important elements of URDP outcome sustainability and exit strategy that should be addressed at these early stages of implementation (see section below on Development Effectiveness).

Component 2. Increased utilization of financial services

This component promotes financial inclusion in targeted areas expanding agricultural and agribusiness investments, improving livelihoods and increasing employment opportunities for rural youth, women, and smallholders. By midterm and programme end, 2,820 and 6,800 beneficiaries would receive partially guaranteed loans (primarily for matching grant contributions, 10% youth, 30% women) respectively, would see required loan collateral decline 30% and 50%, and have 2,360 and 3,240 persons trained in Financial Literacy (FL - 10% youth, 30% women). Due to programme delays and the funding gap, planning but no progress has been made on this Component.

Subcomponent 2.1 Rural Credit Guarantee Facility (RCGF) will support productive rural enterprise and MSMEs by increasing beneficiary access to credit via partner financial institutions (PFIs) through partial loan guarantees. The RCGF would work to improve PFI understanding of rural markets leading to sustainably serving targeted poor rural households and MSMEs. Design foresaw a budget of EUR 7.5 million, or EUR 5 million from the programme and EUR 2.5 from Kredi Garanti Fonu (KGF) which would manage the planned funds and leverage approximately EUR 50 million in PFI capital. The KGF funding commitment was withdrawn and the programme would provide EUR 2.5 million for guarantees (in progressive tranches of EUR 0.5 million annually or as required by demand). The programme contracted a consultant in December 2020 to develop the RCGF implementation manual, detailing *inter alia* guarantee operations, legal arrangements, PFI selection criteria, and beneficiary eligibility. The manual will be finished 1st quarter 2021, with the facility operating early in the 2nd.

Subcomponent 2.2 Rural Finance Support Network (RFSN) will improve the creditworthiness of programme beneficiary target groups. It will source and liaise with PFIs, create beneficiary awareness on responsible borrowing and business development, and work with beneficiaries to identify/ deliver appropriate financial literacy (FL) and business development support (no specific FL activities are provided in the PDR or PIM). The network would be led by rural finance specialist, supported by six financial motivators (FMs drawn from Farmer Support Teams, one in each cluster).

The programme now proposes hiring a single Rural Finance Specialist (RFTS) at the CPMU to oversee both sub-components. The programme and mission continue to recognize the need to support RFSN objectives as promoting loans and providing FL will be necessary to improve beneficiary productive activities and to create sustainable PFI financial services, including loans. Anecdotal evidence suggests, however, limited beneficiary interest in credit and a notable ability to use savings and informal loans to meet matching grant requirements, casting doubt on programme (design) credit demand estimates. This, in combination with budget limitations and cancellation of KGF funding, the mission supports, with reservation, the reduction of rural finance staff. Managing both sub-components in six regions is a *substantial* task for one person, making appropriately skilled/motivated FMs critical. PFIs could potentially support the RFSN using in-house FL systems alone or in combination with service providers hired by the programme. PFI participation (lending or FL) would require independently verifiable selection criteria, IFAD no objection, and pose no potential conflict of interest to the programme or RCGF. The programme should closely monitor demand and contingency plan a KGF capital injection, in case demand increases in response to financial literacy.

[2] Estimate from PPMUs which is being finalized. The mission has and the project M&E Team have worked on defining a methodology for consistent outreach computation and reporting

[3] Eligible demonstrations include: i) crop production (pistachio garden, almond garden, walnut garden, vineyard, plum garden, apple orchard, persimmon garden, kiwi garden, mushroom, hydroponic strawberry, tunnel green house, lavender garden, fencing, solar powered irrigation, paddy); ii) livestock forage production (feed pea, silage corn, ryegrass, artificial meadow, trefoil, clover); iii) livestock improved practices (calf care and feeding, animal drinking water tank); and iv) processing (persimmon drying).

[4] Only 62 applications were rejected.

Agreed Action	Responsibility	Agreed Date
AWPB Submission Finalize the AWPB 2021 after the annual AWPB workshop, prioritizing investments in infrastructure based on inputs from MSPs	SPD, PPMUs	01/2021
Payments for approved matching grants Fast track payments of the approved matching grants with IFAD loan proceeds being transferred to the Designated Account	SPD, UNDP	01/2021
Civil Engineers Complete interviews and mobilize 2 Civil engineers retaining the role of QA and supervision of infrastructure works in each region	SPD, UNDP	02/2021
Technical Specifications for demonstrations under processing Prepare technical specifications to undertake procurement of materials for selected demos	SPD, UNDP	02/2021
Youth targeting strategy Develop the youth targeting strategy with a detailed and site-specific training plan to be rolled out from 2021	SPD, PPMUs	02/2021
Rural Finance Specialist Recruit a Rural Finance Specialist to start activities under Component 2	SPD, UNDP	02/2021
PIM updating Submit to IFAD for NO objection a revised PIM to reflect: i) UNDP role (flow of funds, procurement, recruitment); ii) project categories; and iii) IFAD handbook for Financial Reporting and Auditing.	SPD	02/2021
Financial motivators Identify and begin to train Financial Motivators	PPMUs, Service provider	06/2021
Loan Demand Survey Undertake loan demand survey (e.g., as part of matching grant application) as a basis for: i) recalibrating programme loan targets at midterm; and, ii) determine if RCGF will require more capital.	PPMUs, FM, Service provider	09/2021
Background studies for branding Carry out the studies to initiate URDP activities on marketing and branding	SPD, PPMUs	09/2021

E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus

Effectiveness

Rating: 3

Justification of rating

The achievement of URDP objectives relies on an integrated territorial development approach transcending administrative borders, which has been adopted by SPD and is being actively supported by the multidisciplinary team of experts at the CPMU. These approaches have also informed Provincial Team activities and decision-making reflected in the SIPs. Beneficiaries' meetings and discussions with the programme management team, provided positive insights on the validity of the theory of change, yet this is still to be proven pending the physical implementation of planned activities. With an estimated outreach from the completed SIPs up to 83% of the Phase 1 target, the conditions for URDP to reach its objectives are in place. However, no activities have yet started under component 2. There is a significant delay in the implementation although there are external factors accounting for such a delay. Therefore, the rating at start is considered at a moderately unsatisfactory level.

Log-Frame Analysis & Main Issues of Effectiveness

At the time of the supervision mission, conditions for 1st disbursement of the IFAD Loan have just been met, affecting the implementation of project activities throughout 2020 although important planning measures for quickly starting the investments in the field have been taken (validation of 22 Strategic Investment Plans in 22 Economic Development Clusters, call for applications to matching grants and demonstration with 530 demands validated and ready to be financed by the CPMU, selection of the infrastructures to be developed, training on targeting and matching grant evaluation, etc.). Thanks to this crucial preparatory work, the mission foresees a quick roll out of the activities in the 45 districts and 1,700 villages already identified in the two programme's regions. With more than 6,200 pending matching grant and demos applications already approved and a total of 57 million TL worth planned infrastructure investment, and if no further delays are met, the mission can envisage that the project will be able to reach the 30,000 households target by 2023. This, by assuming that the COVID-19 pandemic will be under control and not impeding all the efforts undertaken by the programme.

Activities planned in the 2020 AWPB directly contribute to the achievement of the outputs and outcomes of the first component (that concentrates more than 85% of the total financing) and should lead to the development of upland Economic Development Clusters. As the investments are deployed in the field, farmers capacities should be adequately strengthened to maximize the synergies between soft and hard investments (technical trainings and demonstrations, infrastructure and business management, financial literacy training, packages for young entrepreneurs, etc.). Appendix 4 includes an illustrative EDC matrix mapping synergies between the subcomponents to guide implementation of activities at the EDC/sub EDC level.

The output related to branding and promotion of upland produce has not yet been deployed, but given the time constraint, it should be given appropriate human and financial resources in the 2021 AWPB.

For the same reason, the second component of the programme related to the access of financial services should also be given a full start in the 2021 AWPB in order to remove the barriers for the utilization of financial services by the target groups (among these high collaterals), as these types of activities require time to be implemented and to have a real impact in the field (commercial banks need to develop financial products tailored to the target's needs). Furthermore, the training plan on financial literacy should also be further detailed to match beneficiaries' needs and capacities.

Agreed Action	Responsibility	Agreed Date
EDC matrix Develop and apply an EDC matrix to trace synergies between the various subcomponents and pilot the activities at the EDC/ sub EDC level	SPD, PPMUs	03/2021
MSP vision on branding Refine MSPs vision to brand products/ areas as part of the SIP in their respective EDCs	SPD, PPMUs	06/2021
Financial Literacy Develop Financial Literacy plan and begin to implement FL plan	SPD, PPMUs	09/2021

Development Focus

Targeting and Outreach

Rating: 4

Justification of rating

The project has three main target groups, reportedly duly represented in the MSPs: i) economically active semi-subsistence poor (primary beneficiaries); ii) economically active poor with upside potential; and iii) transformative drivers (suppliers, traders, agri-entrepreneurs etc.). Among the primary beneficiaries, a special focus is on women (30% target), youth (10% target) and pastoralists which benefit from positive discrimination. The delivery of a young entrepreneur starter package aiming to attract young women and men is initiated, and a first call for Matching Grants for nomads was launched, resulting to more than 1700 applications. Outreach is deemed on track, as the SIPs ready for implementation are estimated benefit up to 83% of the Phase 1 target of HHs reached. The implementation is going to be followed up in 2021 and the rating of targeting and outreach is considered as moderately satisfactory at start.

Main issues

Targeting criteria for the selection of beneficiaries are clear, especially for youth. Women are receiving additional 10 points in the selection process, but other criteria might be at the same time obstacles for good scoring, e.g. literacy, land ownership. While the PIM is giving some guidance on the engagement with youth, guidance for gender sensitive programming is not yet developed.

Target for pastoralists is semi-settled 120-150 large families/households. These large families consist of smaller family/household units. The scoring system (investment evaluation) excludes pastoralists if they have a permanent housing/electrical infrastructure. According to the discussion during the supervision mission, most of the pastoralists are returning in their permanent settings/houses during wintertime. This would exclude them from the investment evaluation process. Pastoralists also need to be a member of a union to have their application for a grant taken into the evaluation. This again could be a structural exclusion factor.

In view of the above, setting quotas may be not sufficient. Priority for the incoming Gender, Youth, and Social Inclusion Specialist (GYSIS) will therefore be to roll out a gender strategy and a youth strategy to enhance participation and social inclusion. Guidance may be sought from the GTWDP experience.

A capacity building needs assessments is also recommended to tailor services and resources for the target groups.

MSPs have a special role in developing and observing selection criteria and ensuring full participation of women and female and male youth. The mission therefore recommends awareness raising/capacity development in the MSPs.

FSTs members, especially the social mobilizing officers are essential for the implementation and support of the gender and youth strategies. The mission therefore recommends targeted trainings for newly appointed Gender and Youth focal points (preferably female PDA staff with a 10-20% full time equivalent secondment) among the FST members ensuring full geographic coverage of the target area.

Agreed Action	Responsibility	Agreed Date
Gender and Youth Focal points Appointment and training of Gender and Youth focal points at the field level (FSTs)	SPD / PDAs	02/2021
Capacity building needs assessment Develop a gender and targeting capacity development plan for the field.	SPD, PPMU, FST	03/2021

Gender equality & women's participation

Rating: 4

Justification of rating

The URDP target for women beneficiaries is 30% (20-30% in the PIM). The project applies a positive discrimination approach towards women regarding the evaluation of MG applications, with ten additional scoring points given to women. In principle, this favours woman headed households and in general female applicants, yet other criteria may be rather negatively discriminating women (e.g. land ownership, literacy). Moreover, achieving women's empowerment and social inclusion imply the application of integrated and multisectoral approaches that address the economic, political as well as the cultural barriers of gender inequality and exclusion. At this early stage of implementation URDP qualifies for a rating of moderately satisfactory.

Main issues

Agricultural production, in particular in the poorer segments of the population, is executed as family farming. There are distinct agricultural and livestock related activities mainly carried out by women, in addition to farming, and women have numerous household chores. Therefore, labour saving technologies are usually preferred by women. This might lead to stand-alone investments without having a plan or a vision for the overall improved household income^[5]. Applying

household methodologies (working with families as one unit) would help to overcome this risk of stand-alone investments and would facilitate the development of a common vision of the entire household/ family how best to increase resilience and improve living conditions.

According to limited information available during the mission, only a few women were found being members of common interest groups. As groups have a more favourable co-financing scheme (25% own contribution) and could apply for bigger investments in addition to be more confident, the support of common interest group could have more empowerment potential for woman than acting alone.

While there have been limited training activities to date, the mission notes the potential for an inventory and assessment of planned training needs to ensure relevant and systematic approach to capacity building and the facilitation of full and beneficial participation by women in the programme. Women's meaningful participation in MSPs should be analysed.

Overall, women are interested and willing to participate in URDP's activities. Participation is to be promoted through a gender strategy.

The incoming Gender, Youth and Social Inclusion Specialist (GYSIS) will assume overall coordination role for mainstreaming Gender and Social Inclusion in programme activities (through the development and rolling out of a gender strategy). Moreover, URDP gender focus would largely benefit from the planned appointment of Gender and Youth focal points at the level of the FSTs (see section above on Targeting and Outreach).

[5] As an example, one of the women interviewed during the mission, applied for a milking machine for her 4 cows as milking became too difficult for her with increasing age. She saw the milking machine at her neighbour and applied for it.

Agreed Action	Responsibility	Agreed Date
Gender strategy Develop or adapt gender and youth targeting strategies	SPD	02/2021
Gender and Youth Action plan Develop gender and a youth action plan.	SPD	03/2021

Agricultural Productivity

Rating: N/A

Main issues

The synergies between the various URDPs interventions are the key to really impact on productivity: investment in the supply chain and common infrastructure (roads, markets, irrigation schemes) pull the farming systems to improve their performances that will generate an increase of incomes. At the current stage of implementation attention is needed for such synergies to materialize. Appendix 4 includes an illustrative EDC matrix mapping synergies between the subcomponents to guide implementation of activities at the EDC/sub EDC level.

Nutrition

Rating: N/A

Adaptation to Climate Change

Rating: 4

Justification of rating

The adverse impacts of climate change in the project target areas are reported to be in gradual increase, essentially against the natural resources including underused agriculture lands and pasture rangelands in the already water-stressed hilly upland areas. The adaptation and mitigation measures, however, are being considered and supported by the project in the targeted areas. The specific examples include, but are not limited to: drip irrigation systems, geomembrane ponds, portable solar-powered systems, animal drinking water points in the rangelands, sheds, and netting systems. Nevertheless, at this stage it is not possible to assess the benefits and resilience of these measures, as none of the related ongoing investments have been completed to date. At the preliminary stage, the rating of project is considered at 4.

Main issues

The Programme carried out, to a certain extent, systemic climate change trend analysis, resilience and vulnerability assessment under the SIPs to determine some applicable adaptation and mitigation measures. The investments are studied to a limited degree for climate change, resilience and environmental aspects. These were reflected in the SIPs (Tufanbeyli, Kozan and Kastamonu) provided to the team during the mission.

One of the key issues, the mission noted, is lack of a Programme staff to address specifically the CCA – related issues and to mainstream the applicable adaptation and mitigation measures into the project-supported activities in the field. This includes also identifying the relevant training needs and employing applicable complementary best practices by means of capacity building and awareness raising. In this regard, the mission recommends to consider hiring a short-term consultant to facilitate mainstreaming the CCA and risk mitigation measures into the related project activities by means of compiling and developing tools and materials for capacity building, awareness raising and introduction of applicable complementary best practices.

In case of the project investments for livestock development and improvement of rangelands, it is equally important to make sure the necessary awareness raising and the related capacity building soft measure activities accompany the on-going and planned investments, so that the improved access to the rangelands and potentially increased quantity of ruminants do not necessarily increase pressure on the rangelands already affected by the climate change. Here the mission suggests that introduction of rotational grazing schemes followed by a set of trainings would complement the integrated management approaches, greatly contributing to both livestock development and gradual improvement of the rangeland ecosystem.

In case of the apple orchard, plum garden installation demonstrations and similar investments introduction of environment-friendly applicable best practices, including integrated pest management, would contribute to increased economic benefits of these investments and ensure their sustainability.

Agreed Action	Responsibility	Agreed Date
Hiring an Environmental Safeguards and CC consultant Consider hiring a Climate Change Adaptation short-term consultant to mainstream the CCA measures into the related project activities (the same as recommended under the report section Requirements of SECAP)	SPD, UNDP with PPMUs	06/2021
Capacity building materials on CC adaptation Compile capacity building materials and awareness raising hand-outs related to climate change adaptation and risk mitigation measures as well as on livestock development and improvements in rangelands	SPD, PPMUs and Consultant	07/2021

b. Sustainability and Scaling up

Institutions and Policy Engagement	Rating: N/A
Partnership-building	Rating: 4

Justification of rating

In the 6 target Provinces, the project mobilised many partners through the MSPs as a formal coordination mechanism. MSPs' involvement in the elaboration of SIPs, is geared to ensure synergies during the implementation phase between e.g. cooperatives, chambers of commerce, Municipalities and commercial banks. Moreover, the formalized agreements with local government institutions for public infrastructure development has positioned URDP as catalyst among local level actors. In close cooperation with IFAD CO, the SPD has actively engaged with the PSB to obtain a hundredfold increase of URDP's annual budgetary allocation. Partnership agreement with UNDP and with KGF will also permit technical support in procurement and implementation of the credit guarantee scheme. The overall partnership building activities within the project and high level dedication in the Provinces support the rating on Partnership building to be moderately satisfactory.

Main issues

While the partnership with Municipalities and SPAs for the identification, design and management of public infrastructure is fully aligned with URDP approaches and shall be encouraged, the use of IFAD funding for the procurement of works through a third party under National Execution is subject to the outcomes of a procurement assessment commissioned by IFAD.

Partnerships with the private sector/legal entities will also include investments (75% financed by the project) in shared economic facilities collectively operated by either producers' associations or farmers cooperatives. Out of 10 applications (6 in Kastamonu and 4 in Bartın), submitted and processed, only two projects resulted eligible for URDP financing by the ad-hoc Ministerial Committee established by the programme to evaluate group infrastructure grant applications. This may underline limited awareness of requirements or capacity by the applicant groups to develop sound proposals.

In order to initiate activities related to branding and geographic origin or to enhance agro-eco tourism as a potential growing sector, it is suggested to establish a partnership with the Turkish Patent and Trademark Office to identify the required background studies (see Key mission agreements above) to support branding the specificities of the uplands products and cultural heritage[6].

[6] see also <https://hal.archives-ouvertes.fr/hal-02168307/document>) as proceedings of a symposium on geographic indicators in Turkey (in French and English). This document provides an extensive source of contacts and experiences that could highly support this subcomponent.

Human and Social Capital and Empowerment

Rating:

Main issues

The recommended beneficiaries' training needs assessment (see section above on Targeting and Outreach) would facilitate tailoring capacity development actions leading to the build up of social capital amongst female and male youth and to women empowerment in particular.

As the establishment of demos, which is instrumental to enhance hands-on training, has not yet materialised, a farmer field school (FFS) approach should be applied around new demos to encourage the direct involvement of producers to support the assessment of an innovation in comparison with the current practice. Such permanent participatory assessment is also to include the economics as well as all logistical aspects linked to the innovations (particularly the supply chains of inputs, the access to extension services, etc). It is also very important to decide upon the use of the incomes generated through demos specially because access to markets is part and parcel of the approach.

Upon completion of the SIPs, the MSPs have to be proactive and constantly link the economic context and the proposed project activities through the involvement of the concerned economic actors along the value chain at the strategic and operational levels, including the use and management of the common economic infrastructure (e.g., markets etc.). Depending on the type of economic infrastructure and on the sectors/ value chains covered under a single MSP, the latter may opt for setting up dedicated working groups focusing their interest/ role on a single common infrastructure investment. These working groups within the MSP would be eligible for training support under URDP sub-Component 1.3 which would cover O&M as well as business skills.

In addition, the project may consider establish partnerships with regional cooperative apexes that belong to the cluster MSPs, to establish a training program for cooperatives development. Village cooperatives may eventually manage a common infrastructure as well as ensure and sustain the long term access to technical / commercial services provided by the regional cooperative apexes to the uplands. Some matching grant applicants/producers met by the mission in fact expressed interest in joining a cooperative if they could assess how they might improve their livelihoods through membership (e.g. dairy producers).

Agreed Action	Responsibility	Agreed Date
New demonstrations Establish new demos along the FFS approach to share lessons at the MSP level	PPMUs	03/2021
MSP working groups for common infrastructure Engage with and strengthen as required the working groups formed within the MSP linked to a common infrastructure (sub EDC)	SPD, PPMUs	03/2021
Development of Cooperatives Consider the design cooperative development training in partnership with regional Cooperative Unions to ensure newly established cooperatives benefit from the Union service delivery	SPD, PPMUs	03/2021

Quality of Project Target Group Engagement and Feedback

Rating: 4

Justification of rating

At this stage, beneficiaries through their representatives in the MSPs have been highly consulted in the elaboration of the SIPs, as reported the SIP reviewed by the mission. The commitment of some MG beneficiaries is confirmed by their

willingness to prefinance more than their actual share of 30%, trusting that URDP will pay them back its share (70%) once funds are available. However, the limitations in the interaction with beneficiaries in a remote supervision do not allow assessing to what extent the level of co-financing or the application process pose a challenge and affect the level of participation of women, female and male youth, and pastoralists respectively. At start, the project is able to attract the beneficiaries to contribute to the project at a satisfactory level rated as (4).

Main issues

The commitment shown by the MG beneficiaries who pre-financed more than their actual share of 70% of the investment cost is to be valued as a sign of trustful relationships between the project and the investors, yet this calls for prompt action by the project to proceed with rapid reimbursement.

MG beneficiaries need to get a thorough understanding of what they actually earn taking into account the depreciation of their investment that is to be replaced after a given period^[7]. Simulations at the level of a common infrastructure would also show them the quantitative impact of such an investment for their respective individual investment. This aspect is quite crucial since it brings together a common decision that impacts on the various individual decisions to invest in a specific economic infrastructure. A simple tool to establish economic profitability at individual level and as well as at the EDC level was shared with the project team and is shown in this report in Appendix 4.

The impacts and results of the investments are going to be monitored next year with the feedbacks from beneficiaries. Setting up of a complaints and grievance mechanism in line with IFAD guidelines is one of the tools to be used collecting feedbacks from the beneficiaries by the implementing agency. This mission is the first mission to rate the section Quality of target group participation and since the grievance redress mechanism (GRM) is a new IFAD requirement, the project will be guided to adhere to GRM principles. This is also noted in the recently developed integrated project risk management framework.

^[7] Usually a standard of 5 years is applied equivalent to a yearly 20% depreciation

Agreed Action	Responsibility	Agreed Date
Economic profitability assessment Assess the economic profitability of the matching grant delivered at the individual and EDC level	SPD, PPMUs	03/2021

Responsiveness of Service Providers

Rating: 4

Justification of rating

To date, UNDP is the only Service Provider actively engaged in URDP implementation. The key areas of UNDP support (recruitment, procurement and flow of funds) and expected UNDP contributions in cash and an in-kind are reflected in a Service Agreement (SA) between MoAF and UNDP effective by 10th September 2020 [8] and ending in March 2023. UNDP has been effective at quickly launching the recruitment process for URDP specialists. Before entry into force of the MoU it proactively prepared a plan of action to road map its assistance to URDP. UNDP's performance is to be evaluated by the next supervision, based on factual evidence of timely implementation of the 2021 PP. The rating at start is moderately satisfactory and will be followed up in the next mission.

Main issues

A timeline for meeting disbursement conditions by the first quarter of 2020 was agreed between IFAD and SPD during a partial SM in December 2019 but the 6-month delay finalizing the SA with UNDP (set as a condition for first withdrawal) accompanied with delays in budget allocation deferred implementation of all activities foreseen in the AWPB 2020. While with UNDP now mobilized, the basic conditions for implementation are in place, given the large number of procurements foreseen (e.g. for demonstrations), there will be a need for UNDP and MoAF to put in place an ideal procurement strategy for project activities and align the same with their strategic plan in order to facilitate timely start of procurement processes. During the next month the mission recommended: i) SPD's close follow up on the preparation of technical specifications in coordination with UNDP; and ii) an additional procurement officer to work exclusively on IFAD programmes be recruited at UNDP (see agreed actions under the section on sub component 1.3 above and under the following section on Procurement).

UNDP's in-kind contribution will involve provision of technical support by business units at UNDP to MoAF, financial studies, preparation of internationally-funded projects, finding funds and implementing such projects, and promotion of current and future national and international projects of MoAF. In order to effectively monitor and document its in-kind contribution, UNDP should provide a clear road map on how the in-kind contribution will be analysed, collected and reported against for purposes of recording.

[8] Subject to approval by the Ministry of Foreign Affairs, the service agreement was granted MoFA's approval on September 2020

Environment and Natural Resource Management

Rating:

Main issues

The capacity building activities related to environment and NRM are delayed. The Programme Management emphasized availability of training and extension services offered by the MoAF and MoEU. The training modules and services offered by these ministries may be adapted to the Programme objectives and training needs identified in the SIPs.

Exit Strategy

Rating:

Main issues

The identification of market outlets is the key to the sustainability of project supports along several agricultural value chains. The marketability of incremental production is, in turn, strongly relying on the success of activities under URDP Sub-component 1.5: Regional branding and geographical indication, which are yet to be initiated. Since regional branding and geographical indication are long processes involving many stakeholders, such activities should be started at these early stages of URDP implementation (see section above on Development Effectiveness).

Similarly, activities under Component 2 shall be initiated with no further delays (see Key mission agreements above) in order to be mutually supportive to project direct investments in economic infrastructure and delivery of MGs, trainings and demonstrations. Supporting beneficiaries' access to financial services is an important additional element of the project exit and sustainability strategy.

Potential for Scaling-up

Rating:

c. Project Management

Quality of Project Management

Rating: 4

Previous rating: 3

Justification of rating

The project has maintained a good level of coordination and engagement after the establishment of SPD which expedited the preparations to meet conditions for disbursement. The recruitment of key staff was carried out, seconding of staff, the collaboration with KGF formalized, the FM software procured and a technical assistance negotiated with UNDP. The SPD and the PPMUs have worked in coordination since the beginning of 2020 and have been effective at advocating for an increase of the budget allocation. Notable preparations for full physical delivery in 2021 was also carried out: investment plans prepared, technical studies carried out, calls and selection of matching grants, protocols with local administration for execution.

Main issues

Some positive outcomes of project management include: i) high levels of project ownership amongst government stakeholders at the central and provincial level; and ii) optimization of the use of human resources available at the SPD for both GTWDP and URDP. However, completion of the recruitment of professional staff for implementation by early 2021 remains a priority. The recruitment process has begun and will be completed by January 2021 for Regional Coordinators, M&E assistants, Lead Gender and Targeting Specialist and two Regional Civil engineers. An accountant at the CPMU was recruited during the mission. In principle, the recruitment of the Rural Finance Specialist should have been undertaken in parallel with the consultancy currently drawing up the RCGF implementation manual. The mission concurs with the request of the project management for a position on Rural Development and Technical Cooperation support the implementation of activities under the IFAD Grant replacing the Senior Project Advisor position in the PDR organigram.

While the project has not yet elaborated data on the cost of staff incurred to date and it is too early in implementation to assess project management performance in terms of delivery ratios (management cost/investment cost), the number and the value of the investments planned for implementation (about EUR 13 M in aggregate) provide an indication of strong delivery, particularly in consideration of the geographically spread nature of investments identified for implementation

Agreed Action	Responsibility	Agreed Date
Rural Finance Specialist	SPD, UNDP	02/2021
Recruit a Rural Finance Specialist to start activities under Component 2		

Knowledge Management**Rating: 4****Justification of rating**

The KM framework is in place, the SIP and MSP processes have generated preliminary knowledge which the scaling up will build on. A COM and KM specialist is in place and shared with the GTWDP Programme. The COM and KM strategy for GTWDP is being adapted to provide the URDP with a strategy. In regards of the readiness of the structure, the mission considers the rating as moderately satisfactory.

Agreed Action	Responsibility	Agreed Date
KM strategy Develop a KM and communication strategy	SPD	06/2021

Value for Money**Rating: 4****Justification of rating**

As the mission could not assess Value for Money (VfM) on the basis of an adequate sample of completed procurement transactions and investments on the field, the VfM rating, at this stage, is supported by the extensive use of seconded staff and in-house MoAF resources made by the URDP to prepare for future investments. The costs of the few project activities completed so far are in line with planned costs, and are adequately priced, justifying a rating of 4.

Main issues

Albeit limited to preparatory work (establishment of 16 MSPs, development of 22 SIPs and collection and evaluation of applications for 3,196 demonstrations and 5,720 MGs), all project outputs have been achieved by mobilizing seconded staff at the regional/ provincial level (84 in total of which 40 Farmers Support Team or FST members) and 6 contracted specialists at the CPMU (mostly shared with GTWDP). Only two procurement activities have been completed so far and to ensure VfM in the acquisition of services, a market survey has been done to confirm that costs are not over stated, and procurement processes have been conducted competitively where applicable. The rating of this indicator will be further assessed in the next mission after increasing number of activities.

Coherence between AWPB and Implementation**Rating: 3****Justification of rating**

The AWPB was prepared following a participatory approach during a planning workshop in November 2019, then submitted after internal clearances, to IFAD No Objection in April 2020. Delivery of the AWPB was challenged by the low budget allocation to URDP (EUR 110 000). A high-level dialogue led by the MoAF and supported by IFAD, resulted in May 2020 in a hundredfold increase of the spending space allocated to the Programme by PSB, the national budget authority. The PMU revised accordingly the 2020 AWPB to EUR 19 million. This was assessed as ambitious by IFAD in July 2020. Upon availability of the additional budget in September and the fulfilment of the conditions for first disbursement, the Programme submitted its first Withdrawal Application to IFAD in November 2020, i.e. too late for carrying out procurement and effecting payments foreseen under the 2020 AWPB. Operational progress therefore concerned mainly the preparatory work, notably the procurement of the accounting software, mobilization of technical assistance, staffing, preparation of the operational manual for the credit guarantee scheme, partnership with KGF etc. Therefore, the rating is set at moderately unsatisfactory level.

AWPB Inputs and Outputs Review and Implementation Progress

In line with the above-mentioned participatory process, the 2021 AWPB is scheduled for stakeholders' discussion in late December 2020. Each district plan will be consolidated at the provincial level, then consolidated by SPD. The timeline of the process suggests again some delays for which the attention of the Ministry is herein called. Moreover, the format of the AWPB needs improvement by better linking program activities with project outputs, outcomes and outreach in order to track achievements against objectives.

Performance of M&E System**Rating: 4****Previous rating: 3****Justification of rating**

The M&E team coordinated by the SPD officer heading the working group in charge of externally financed projects have deployed substantial efforts to validate the basic M&E tools at the time of the mission (M&E manual; data architecture scheme; action plan; data collection tools, databases). The next SM will have to check whether this system is operational,

gives the necessary information to check project implementation progress towards the achievement of outputs and outcomes, the number and type of beneficiaries, and whether it helps programme planning and strategic decision-making. The capacities of the URDP staff have been reinforced with the participation of the responsible specialist for M&E at SPD in the PRIME training in October/ November 2020. Training on targeting was provided by SPD in October. As the FSTs constitute the cornerstone of the M&E system, staff will be trained and directly involved in the process. Due to the project preparedness for the M&E with the project implementation, the rating of this indicator is considered at 4.

M&E System Review

While since its establishment in June 2019, SPD assigned an M&E officer heading the working group in charge of externally financed projects, including URDP, the lead M&E specialist for URDP was recruited only in June 2020, leading to significant delays in the operationalization of the URDP M&E system. Two decentralized M&E assistants are in the process of being hired for each RPMU (to be finalized end-December 2020) and six seconded staff from the PDAs have been assigned M&E tasks. FSTs teams, operating at the district level will oversee data collection in the field.

In parallel, URDP undertook a baseline survey in both regions with a final report made available in September 2019. A copy of the survey database is available for further surveys. The service provider used three tools (household survey, focus group and in-depth interview) to triangulate survey information. Some 1,121 households were interviewed in 67 villages in the Eastern Mediterranean region and 72 villages in the Western Black Sea region, statistically representing the programme area. Results of the survey offer valuable information on the target group profile/ characterization and needs. The results must be reflected in the logframe to complete the outcome and impact indicator baselines. Considering these results, targets and household average size may be readjusted.

Since June 2020, the SPD M&E team has made an effort to overcome programme delays by developing the tools required to operationalize the M&E system. A draft M&E manual and data tables have been prepared for demonstrations, grants, infrastructures, and capacity building activities, as well as draft field visit forms. A grant evaluation table, along with grant and demonstration logbooks have been created.

The data architecture scheme was revised during the mission and subsequent data collection tables will need to be either revised or created. A database for monitoring the number of beneficiaries will have to be developed. The responsibility for data collection will be delegated/ assigned and necessary training will be given for data entry at the provincial and district levels.

Although Component 2.0 has not yet started, similar M&E tools will need to be developed, rural finance consultant commissioned by IFAD with the support of IFAD core staff, will support the M&E team in this. Suitable indicators will be developed and monitored to track climate change based on the SECAP indicative list of indicators.

Once the chart of accounts is validated, the M&E and financial teams will work to link physical and financial execution rates and configure TOMPRO and in the future TOM-MONITORING accordingly.

The ORMS logframe will need to be modified based on the revised Logframe and targets included in the financial gap design of the URDP phase 2.

Finally, M&E reporting must be improved by better linking programme activities with project outputs, outcomes and outreach in order to track programme achievements against objectives.

Agreed Action	Responsibility	Agreed Date
AWPB and Progress report formats Review the AWPB and progress reports formats to link project activities with project objectives (outputs; outcomes and outreach).	SPD, PPMUs	02/2021
Finalize M&E tools Finalise the draft manual; tables; beneficiary databases documents and assign clear staff M&E responsibilities based on the revised data architecture. Share relevant documentation with RPMUs/PPMUs/FSTs	SPD	02/2021
Capacity building for M&E Continue M&E Capacity building activities/ trainings for PPMUs and FSTs and ensure a quick orientation of M&E assistants in the RPMUs.	SPD	02/2021

**Social, Environment, and Climate
Standards requirements**

Rating: 4

Justification of rating

The URDP PDR includes a comprehensive SECAP Review Note (December 2017) developed in line with the IFAD SECAP guidelines of 2015 edition, not the 2017 SECAP version. To this effect, its Environmental and Social Management Plan has been elaborated in the form of an Impact Assessment and Mitigation Management Plan, defining the expected positive and potentially negative environmental/social impacts, each separately provided with a set of recommended mitigation activities. Given the early stage of physical implementation of the project investments on the ground, the mission found that project investments have not in any way adversely affected the social and environmental integrity of the target areas and communities to date. Therefore, the preliminary rating is given as moderately satisfactory.

SECAP Review

The mission did not note issues related to SECAP compliance of the project activities to date, but would highlight the need for the newly hired technical project personnel to become very well familiar with the project SECAP Review Note and the IFAD SECAP guidelines (2014, 2017 and 2020 editions, as per expected additional financing of the second phase of the project).

Under the 2020 AWPB, the project technical investments include development of public economic infrastructure (primarily construction/establishment, but also rehabilitation/modernization with an estimated individual investment of EUR 8,500 – EUR 557,000), cluster investment partnership individual matching grants (up to EUR 7,165 at highest cost per individual grant), demonstration investments (up to EUR 16,200) and privately shared economic infrastructure (individual investments ranging from EUR 5,350 to EUR 321,000). The latter covers only Kastamonu and Bartın provinces, both located in Western Black Sea region.

Having reviewed the English translated SIPs (Tufanbeyli, Kozan and Kastamonu), the mission has found their reflection of the Impact Assessment and Mitigation Management Plan, which is an annex of the project SECAP Review Note.

Since the technical designs and construction/modernization of the infrastructure/technical investments are to be carried out by licensed project design and construction firms under supervision of the CPMU/RPMUs, they are expected to be in conformity with national and local environmental regulations. The feasibility studies of these projects, facilitated by FSTs from the early stage of planning, reportedly cover also environmental and climate impact analysis to a limited degree. Yet, the mission does not confirm the certainty of this assumption on the ground during the reporting period, given the limitations of the remote supervision.

In light of the more stringent SECAP 2017 and 2020 requirements, the project should consider hiring a Climate Change Adaptation and Environmental Safeguards short-term consultant (TORs in Appendix 4) to mainstream the CCA and SECAP compliance measures into the related project activities by means of capacity building, awareness raising and technical compliance with good environmental practices (e.g. in infrastructure development under Component 1.2). This can be a retainer (with a set number of days over a long period) contract. Project should take into due consideration inputs required in the working of 2021 AWPB, particularly in relation to infrastructure development investments as well as the livestock and rangeland development activities. The consultant will also support the project to identify appropriate mitigation measures against potential environmental hazards (e.g., waste management from livestock markets and slaughterhouses) to undertake within the technical investments, as the project progresses.

A grievance resolution mechanism will be set up by the project in line with SECAP requirements.

Agreed Action	Responsibility	Agreed Date
Hiring an Environmental Safeguards and CC consultant Consider hiring an Environmental Safeguards short-term consultant to mainstream the SECAP compliance measures into the related project activities (The same consultant recommended under the report section Adaptation to Climate Change)	SPD, UNDP with PPMUs	06/2021

d. Financial Management & Execution

Acceptable Disbursement Rate	Rating: 2.0	Previous rating: 1
-------------------------------------	--------------------	---------------------------

Justification of rating

Project has submitted advance WA on the 16th of November for an amount of \$ 2 million. WA is pending FCD check and finalization. The cumulative overall rate of disbursement for a rural development project after two and half years of a five years implementation period is expected to exceed 44%. The actual rates have fallen well behind these projections, with a combined disbursement rate for the IFAD loan and grant at 5.66% (equivalent to EUR 2.05 million). It is noted that the project officially fulfilled the conditions to be disbursable on October 2020, which explains the low disbursement rate to

date.

Main issues

IFAD Loan. The programme has withdrawn the start-up cost Euro 390,000 on the 15th of May 2019 which was agreed upon in the financial agreement to cover the cost of recruitment, base-line surveys, basic equipment and installation of an accounting software. The IFAD confirmed by official letter on the 28th of October the fulfilment of disbursement conditions, and project submitted a Withdrawal Application of 2 MUSD (equivalent to 1.6 MEUR) which was processed in December by IFAD bringing the disbursement rate under the loan to 5.8%.

IFAD Grant. the mission shared with the project the revised Letter to Borrower which revised the Statement of Expenditure threshold to bring it to 75,000 Euros under all categories.

Fiduciary aspects

Quality of Financial Management

Rating: 4

Previous rating: 3

Justification of rating

The mission notes improvement regarding Financial Management compared to last SM (February 2020) mainly due to: i) the recruitment of Financial Management staff; and, ii) the procurement of programme accounting software with the software to be operational by January 2021. There is room for improvement mainly with regards to: i) updating the PIM; ii) timely submission of AWPB; and, iii) operationalization of internal audit function.

Main issues

Staffing. A Financial Management consultant was recruited in June 2020 and an accountant was recruited joining the project in December 2020. In addition, IFAD informed the project that it intends to conduct an FM refreshment workshop before end of the first quarter of 2021.

Flow of funds. The project has two Designated Accounts opened at the Central Bank of Turkey (one for the grant and one for the loan). In addition, it has a dedicated bank account intended to host funds received from the Kredit Garanti Fonu (KGF). The project does not have a dedicated operating account, and funds are transferred from the Designated Accountant to a UNDP account. All payments will be processed by UNDP based on official requests sent by government. The UNDP Financial Management Unit creates payment requests under Atlas, by identifying the financier, the project and the expenditure based on payment requests received from the projects. At the date of the mission, no payments were performed by UNDP

and the total funds transferred from the project to UNDP were TL 3.4 M (EUR 0.36 M). The project expects to payments of EUR 359,245 before end of the 2020 mainly related to the acquisition of IT equipment and grant contract commitments.

Budget. The project was allocated a budget of EUR 0.2 M for 2020. In May 2020, the authorised disbursement limit was revised and increased to EUR 20.3 M. Disbursement conditions were officially met in October, and no payments were performed from the allocated budget so far. The AWPB for 2021 has not yet been prepared and programme agreed to have it prepared for IFAD no objection before the 31 st of January. The mission notes that the programme must ensure a functional budget monitoring mechanism is configured in the new accounting software which allows for the comparison of budgeted amounts against actual expenditures at component, sub-component, activity, category, and financing source levels.

Internal Control. The Project Implementation Manual was prepared and approved in 2018. The mission reviewed the FM section and the programme agreed on revisions to be updated with IFAD for no objection before the 31st of December 2020.

Internal Audit. Project will be included in MoAF's internal audit program. The mission agreed with the project that it would share internal audit reports with IFAD.

Accounting. The procurement activities related to the accounting software were completed, and it should be implemented in January 2021. The mission discussed the chart of accounts with the project and provided some suggestions regarding the classification of the different components, categories, financing sources, and localities to be discussed with the integrator.

Agreed Action	Responsibility	Agreed Date
Submit 2021 AWPB Project should prepare an AWPB for 2021 and submit it to IFAD 60 days prior to the end of the year. The mission agreed with the project to submit an initial version of the AWPB that can be updated and submitted to IFAD no objection once the official allocated budget is determined. --- Update 22.01.2021 AWPB draft is ready, next week will be submitted after Zoom Meeting with provinces.	SPD	01/2021
Finalize implementation of the new portal The new portal should allow proper tracking of payments and to be used as project monitoring tool. It should allow the outputting of required reports, and the automatic preparation of WAs. Alternatively, prospect the procurement and setting up of dedicated FM software (TOMPRO...) at the ministry Update December Mission : TomPRO Software has been procured, currently project is preparing the Chart of Account. Implementation will start and finalized in January 2021. Update on 22.01.2021: Tompro implementation will start next week and the consultant from Tompro will stay in Ankara 3 weeks. Expected completion time is end of February	SPD-MoAF	02/2021
Finalize the PIM based on the modification agreed during the mission The project should agreed the PIM to properly reflect project categories and IFAD handbook for Financial Reporting and Auditing, and to reflect UNDP involvement in the project. ---- Update 22.01.2021 Due to the year end closing, TOMPRO implementation and other year end issues, modification of PIM might be completed within February 2021.	SPD	02/2021
Finalize chart of Account and implement budgetary follow up based on components, categories and financiers in the accounting software Project to finalize the chart of accounts and to follow budget execution by component, category and financiers. In addition, all payments should be clearly cross referenced to a budget line in the AWPB. ----- Update 22.01.2021 Tompro implementation will start next week and a consultant from Tompro will stay in Ankara 3 weeks. Expected completion time is end of February. (COA for GTWDP has been shared with Tompro Team. The COA of URDP will be shared next week)	SPD	02/2021

Quality and Timeliness of Audit
Rating:
Counterparts Funds
Rating: 5
Previous rating: 4
Justification of rating

As agreed in the financial agreement, the government will provide counterpart financing for an amount of 16MEUR. Government funds will be allocated to: (i) seconding programme staff at provincial and regional levels; (ii) construction of roads; and (iii) all taxes and duties on procured goods and services. As of the mission date and even though implementation did not start yet, project has already received TL 571K (€0.06 million) from government contribution and the amount needed out of this contribution has already been transferred to UNDP accounts. No delays are expected in receipt of government contribution.

Main issues

The project design has identified that Government co-financing of the programme will be in: (i) seconding the programme coordinator as well as staff at provincial and regional level to support programme implementation, (ii) construction of 250 km of roads, (iii) waiving of all taxes and duties on goods and services procured under the programme.

At the date of the mission, the total funds made available from the government reached 571,000 Turkish Lira (equivalent to 0.06 MEUR). The funds are channeled to the project through single Treasury/MoF account to CPMU. Based on cash forecast and needs, transfers the needed amounts to UNDP account. To allow payment of eligible expenditures, the project already transferred at the date of the mission TL 155,000 from the funds received from the government to the UNDP account.

The mission notes that in-kind contribution, corresponding mainly to government staff working on the project, is not estimated. The mission agreed with the project to expedite the calculation of in-kind contribution and to share it with IFAD. The project will include this estimation in the Financial Statements of 2020 to be communicated to IFAD.

Compliance with Loan Covenants

Rating: 4

Justification of rating

The project has complied with the conditions for first disbursement only in October 2020 and the provisions of the IFAD loan applicable at this early stage of implementation are complied with, with the exception of the delayed submission of both the AWPB 2020 and 2021.

Main issues

The 2021 AWPB is planned to be elaborated during the last week of 2020 by project staff and stakeholders in a participatory remote workshop. The current target date for AWPB submission to IFAD of 15 January (see key mission agreements above). This represents 2.5 months delay over the time of submission of the AWPB stipulated in the FA (60 days before the start of the year). While the recurrent late AWPB submission by SPD is reportedly due to the practice of tailoring the AWPB based on the official release of the budgetary allocations from PSB, timeliness of AWPB submission to IFAD needs improvement.

According to the FA (Section E-1 (b)) an initial capital contribution from KGF as a condition for withdrawal specific to the RCGF cost category. However, the KGF's funding commitment was withdrawn and this issue shall be addressed by the ongoing consultancy to support the operationalization of the RCGF.

Procurement

Procurement

Rating: 4

Justification of rating

The project is in the initial phase of implementation and only few procurement processes have been completed. The AWPB was ambitious, resulting in an ambitious PP which could not be fully executed because of structural challenges in terms of budget allocation. The project will not have a procurement unit at the CPMU, but rather a procurement specialist has been recruited by UNDP to provide technical support to the MoAF. UNDP will be undertaking all the procurement processes, but CPMU will initiate the procurement processes. In this regard, for faster implementation of the PP, since both the CPMU and UNDP will be involved in the implementation of the PP, there is need to put in place an ideal procurement strategy for project activities and align the same with their strategic plan. The review of processes completed confirmed compliance with national procurement laws and regulations and consistency with the IFAD and UNDP Procurement Guidelines. A PRM review indicates that there is a need to update the PIM and probably the Financing Agreement (FA) to harmonize the procuring entities, contract management guidelines, procurement methods and the related thresholds/timelines.

Procurement Review

- 1. Review of Procurement Plan.** A three months' procurement plan (PP) was prepared for the period ending 31st December 2020. There is very low progress against the implementation of the PP. As of the time of the mission, out of the 49 planned procurement activities, 39 had not started (80%), 0 were at bidding process, 7 were at evaluation stage (14%), and 3 were at contract signature stage (6%). Going by the current execution status of the PP, although the AWPB was overly ambitious, 80% of procurement activities not being started shows that the departments responsible for the initiation of procurement process have not adequately played their respective roles in the procurement cycle. There is a need therefore, for UNDP, together with CPMU, to put in place an ideal procurement strategy and align the same with their strategic plan in order to facilitate timely start of procurement processes.
- 2. Review of Prequalification and Bidding Processes** Two procurement processes have been completed so far; i.e Project Launch Event (RFQ), and acquisition of accounting. The two procurement processes conform with national procurement laws and regulations and are consistent with IFAD and UNDP Procurement Guidelines.

According to the MoU between the Ministry and UNDP, the UNDP will conduct procurement of selected goods, works and services using its own procurement rules and regulations. This results in differences between National procurement guidelines envisaged to be used at design. Major differences include; the procurement methods applied (canvas/micro purchasing), thresholds and time limits. The project PIM should be revised to reflect these changes, clearly identifying the roles and responsibilities of procurement specialists/units both at the ministry, and UNDP, and the applicable procurement methods.

3. **Review of Evaluation and Contract Award.** The evaluation processes and procedures are of good quality and evaluation reports are well structured, comprising preliminary, technical and financial evaluation. Where applicable, the justification for use of direct invitation method is well expressed in the evaluation report.
4. **Review of Contract Administration and Management.** UNDP and the Ministry are responsible for contract management. Contract management procedures are clearly outlined in UNPD manuals. A contract register is available for the project and since only two contracts have been signed, contract management procedures will continue to be assessed in due course. There is a need however to elaborate a clear Responsibility Assignment Matrix (RACI) for contract monitoring. This would for example involve; Directors, Department Heads, procurement staff, technical staff, finance staff, UNDP, Client/end-user representative, etc. The Matrix will be prepared, preapproved and included in PIM.
5. **Review of project's record retention/procurement filing system and the ease of document retrieval** All documents pertaining to a particular procurement case are enclosed within a single box file and arranged in a manner that facilitates easy review. For example, documents are filed in a bottom – up approach, where the whole process from a requisition to contract signature are filed in a chronological order. In addition to manual filing, an e-filing system is done and backed-up.

Agreed Action	Responsibility	Agreed Date
Procurement Plan UNDP and CPMU to put in place an ideal procurement strategy for project activities and align the same with their strategic plan in order to facilitate timely start of procurement processes.	UNDP, CPMU	02/2021
PRM Review and procurement unit The PIM to be updated to harmonize procurement methods/thresholds, and elaborate RACI for contract monitoring. The review is foreseen to reflect changes to the structure envisaged at design, and probably to FA. UNDP is proposed to quicken recruitment process of the procurement specialist.	CPMU, UNDP	04/2021

e. Key SIS Indicators

Likelihood of Achieving the Development Objective	Rating: 3.83	Previous rating: 4.0
Assessment of the Overall Implementation Performance	Rating: 3.82	Previous rating: 4.0

F. Agreed Actions

Agreed Action	Responsibility	Agreed Date
Overview and Project Progress		
AWPB Submission Finalize the AWPB 2021 after the annual AWPB workshop, prioritizing investments in infrastructure based on inputs from MSPs	SPD, PPMUs	01/2021
Payments for approved matching grants Fast track payments of the approved matching grants with IFAD loan proceeds being transferred to the Designated Account	SPD, UNDP	01/2021

Civil Engineers Complete interviews and mobilize 2 Civil engineers retaining the role of QA and supervision of infrastructure works in each region	SPD, UNDP	02/2021
Technical Specifications for demonstrations under processing Prepare technical specifications to undertake procurement of materials for selected demos	SPD, UNDP	02/2021
Youth targeting strategy Develop the youth targeting strategy with a detailed and site-specific training plan to be rolled out from 2021	SPD, PPMUs	02/2021
Rural Finance Specialist Recruit a Rural Finance Specialist to start activities under Component 2	SPD, UNDP	02/2021
PIM updating Submit to IFAD for NO objection a revised PIM to reflect: i) UNDP role (flow of funds, procurement, recruitment); ii) project categories; and iii) IFAD handbook for Financial Reporting and Auditing.	SPD	02/2021
Financial motivators Identify and begin to train Financial Motivators	PPMUs, Service provider	06/2021
Loan Demand Survey Undertake loan demand survey (e.g., as part of matching grant application) as a basis for: i) recalibrating programme loan targets at midterm; and, ii) determine if RCGF will require more capital.	PPMUs, FM, Service provider	09/2021
Background studies for branding Carry out the studies to initiate URDP activities on marketing and branding	SPD, PPMUs	09/2021
Development Effectiveness		
Gender strategy Develop or adapt gender and youth targeting strategies	SPD	02/2021
Gender and Youth Focal points Appointment and training of Gender and Youth focal points at the field level (FSTs)	SPD / PDAs	02/2021
Gender and Youth Action plan Develop gender and a youth action plan.	SPD	03/2021

EDC matrix Develop and apply an EDC matrix to trace synergies between the various subcomponents and pilot the activities at the EDC/ sub EDC level	SPD, PPMUs	03/2021
Capacity building needs assessment Develop a gender and targeting capacity development plan for the field.	SPD, PPMU, FST	03/2021
Hiring an Environmental Safeguards and CC consultant Consider hiring a Climate Change Adaptation short-term consultant to mainstream the CCA measures into the related project activities (the same as recommended under the report section Requirements of SECAP)	SPD, UNDP with PPMUs	06/2021
MSP vision on branding Refine MSPs vision to brand products/ areas as part of the SIP in their respective EDCs	SPD, PPMUs	06/2021
Capacity building materials on CC adaptation Compile capacity building materials and awareness raising hand-outs related to climate change adaptation and risk mitigation measures as well as on livestock development and improvements in rangelands	SPD, PPMUs and Consultant	07/2021
Financial Literacy Develop Financial Literacy plan and begin to implement FL plan	SPD, PPMUs	09/2021
Sustainability and Scaling up		
New demonstrations Establish new demos along the FFS approach to share lessons at the MSP level	PPMUs	03/2021
MSP working groups for common infrastructure Engage with and strengthen as required the working groups formed within the MSP linked to a common infrastructure (sub EDC)	SPD, PPMUs	03/2021
Development of Cooperatives Consider the design cooperative development training in partnership with regional Cooperative Unions to ensure newly established cooperatives benefit from the Union service delivery	SPD, PPMUs	03/2021
Economic profitability assessment Assess the economic profitability of the matching grant delivered at the individual and EDC level	SPD, PPMUs	03/2021
Project Management		
AWPB and Progress report formats Review the AWPB and progress reports formats to link project activities with project objectives (outputs; outcomes and outreach).	SPD, PPMUs	02/2021

Finalize M&E tools Finalise the draft manual; tables; beneficiary databases documents and assign clear staff M&E responsibilities based on the revised data architecture. Share relevant documentation with RPMUs/PPMUs/FSTs	SPD	02/2021
Capacity building for M&E Continue M&E Capacity building activities/ trainings for PPMUs and FSTs and ensure a quick orientation of M&E assistants in the RPMUs.	SPD	02/2021
Rural Finance Specialist Recruit a Rural Finance Specialist to start activities under Component 2	SPD, UNDP	02/2021
KM strategy Develop a KM and communication strategy	SPD	06/2021
Hiring an Environmental Safeguards and CC consultant Consider hiring an Environmental Safeguards short-term consultant to mainstream the SECAP compliance measures into the related project activities (The same consultant recommended under the report section Adaptation to Climate Change)	SPD, UNDP with PPMUs	06/2021
Financial Management & Execution		
Submit 2021 AWPB Project should prepare an AWPB for 2021 and submit it to IFAD 60 days prior to the end of the year. The mission agreed with the project to submit an initial version of the AWPB that can be updated and submitted to IFAD no objection once the official allocated budget is determined. --- Update 22.01.2021 AWPB draft is ready, next week will be submitted after Zoom Meeting with provinces.	SPD	01/2021
Procurement Plan UNDP and CPMU to put in place an ideal procurement strategy for project activities and align the same with their strategic plan in order to facilitate timely start of procurement processes.	UNDP, CPMU	02/2021
Finalize implementation of the new portal The new portal should allow proper tracking of payments and to be used as project monitoring tool. It should allow the outputting of required reports, and the automatic preparation of WAs. Alternatively, prospect the procurement and setting up of dedicated FM software (TOMPRO...) at the ministry Update December Mission : TomPRO Software has been procured, currently project is preparing the Chart of Account. Implementation will start and finalized in January 2021. Update on 22.01.2021: Tompro implementation will start next week and the consultant from Tompro will stay in Ankara 3 weeks. Expected completion time is end of February	SPD-MoAF	02/2021

<p>Finalize the PIM based on the modification agreed during the mission</p> <p>The project should agreed the PIM to properly reflect project categories and IFAD handbook for Financial Reporting and Auditing, and to reflect UNDP involvement in the project.</p> <p>----</p> <p>Update 22.01.2021 Due to the year end closing, TOMPRO implementation and other year end issues, modification of PIM might be completed within February 2021.</p>	SPD	02/2021
<p>Finalize chart of Account and implement budgetary follow up based on components, categories and financiers in the accounting software</p> <p>Project to finalize the chart of accounts and to follow budget execution by component, category and financiers. In addition, all payments should be clearly cross referenced to a budget line in the AWPB.</p> <p>-----</p> <p>Update 22.01.2021 Tompro implementation will start next week and a consultant from Tompro will stay in Ankara 3 weeks. Expected completion time is end of February. (COA for GTWDP has been shared with Tompro Team. The COA of URDP will be shared next week)</p>	SPD	02/2021
<p>PRM Review and procurement unit</p> <p>The PIM to be updated to harmonize procurement methods/thresholds, and elaborate RACI for contract monitoring. The review is foreseen to reflect changes to the structure envisaged at design, and probably to FA. UNDP is proposed to quicken recruitment process of the procurement specialist.</p>	CPMU, UNDP	04/2021

Turkey

Uplands Rural Development Programme Supervision Report

Logical Framework

Mission Dates: 3 November/ 21 December 2020
Document Date: 22/01/2021
Project No. 2000001409
Report No. 5648-TR

Near East, North Africa and Europe Division
Programme Management Department

Uplands Rural Development Programme

Logical Framework

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
Outreach Number of persons receiving services promoted or supported by the project (men/women)	1 Persons receiving services promoted or supported by the project										
	Females		18 000	36 000	327	327	0.9				
	Males		42 000	84 000	533	533	0.6				
	Young		6 000	12 000	163	163	1.4				
	Not Young		54 000	108 000	697	697	0.6				
	Total number of persons receiving services		60 000	120 000	860	860	0.7				
	1.a Corresponding number of households reached							BL survey, MTR, Impact assessment	BL, MTR, PCR	PMU	
	Households		30 000	60 000	333	333	0.6				
	1.b Estimated corresponding total number of households members							M&E Reports	annual	PMU	
	Household members		147 000	294 000	1 632	1 632	0.6				
Project Goal Enhance prosperity and resilience of upland smallholder farmers	Percentage reduction in the number of households in targeted areas living below the national poverty line							BL, MTR, Impact assessment survey	BL, MTR, PCR	PMU	Gov. of Turkey willing to allocate finance, manpower and technical expertise. Poverty reduction remains a priority agenda
	Households		15	40	0	0	0				

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
Development Objective Strengthen the resilience of upland communities, especially youth, and improve their integration into markets.	Percentage of households in targeted areas with a monthly income of TRY 3,000 or higher (10% youth)							BL survey, MTR and Impact assessment	BL, MTR, PCR	PMU	Continued social, political and economic stability in the country and no major sustained disruption to market access to major export markets.
	Households		30	90	0	0	0				
	Value (in USD) and increase in the volume of priority products marketed through economic infrastructure of the clusters (tons/product)								MTR, PCR	UGP	
	Value of products in USD	0	25	29	0	0	0				
	Increase in volume of products marketed	0	25	30	0	0	0				
Outcome Outcome 1. Strengthened economic development clusters	1.2.4 Households reporting an increase in production							Household survey BL, MTR, PCR	MTR, PCR	M&E Unit	External socio-economic factors do not disrupt MSPs; Sufficient interest from private sector in MSPs across all priority commodity clusters;
	Households	0	15	40	0	0	0				
	Total number of household members	0	9 000	24 000	0	0	0				
	Households	0	4 500	12 000	0	0	0				
	Percentage of households having established market linkages within Economic Development Clusters (EDC)							Beneficiary survey	MTR, PCR	M&E Unit	
	Households	0	20	50	0	0	0				
Output 1.1 EDC Multi-stakeholders Platforms (MSPs) are established	Policy 2 Functioning multi-stakeholder platforms supported							MSP meetings reports	annual		
	Number	0	40	80	22	22	27.5				
Output 1.2 Supported EDCs infrastructure	Value of infrastructure constructed/ rehabilitated (million Euro)							progress reports	annual		Other Ministries willing and able to increase coordination to harmonize support to target communities.
	Value of infrastructures (Million Euro)		14.8	25.8	0	0	0				

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
Output 1.3 Farmers/ organizations capacitated	1.1.4 Persons trained in production practices and/or technologies							training reports	annual		Uptake from rural entrepreneurs / farmers sufficient and Outreach of media and awareness campaigns effective in mobilizing clusters.
	Total number of attendances to training sessions				0	0					
	Men trained in crop		4 900	9 800	0	0	0				
	Women trained in crop		2 100	4 200	0	0	0				
	Young people trained in crop		700	1 400	0	0	0				
	Not young people trained in crop			10 000	0	0	0				
	Total persons trained in crop		8 800	14 000	0	0	0				
Output 1.4 Farmers/ organization investments	3.1.4 Land brought under climate-resilient practices							progress reports	annual		Climate change is in line with current predictions
	Hectares of land		300	834	0	0	0				
Output 1.5 Branding and pro-motion of upland produce	Number of products branded based on geographical origin							progress reports	annual		
	number of products branded	0	2	10	0	0	0				
Outcome Outcome 2: Increased utilization of financial services among rural people in uplands	1.2.5 Households reporting using rural financial services							Household survey	BL, MTR, PCR		
	Households		15	30	0	0	0				
	Total number of household members				0	0					
	Males				0	0					
	Females				0	0					
	Young				0	0					
	Not Young				0	0					

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
	Households				0	0					
	Percentage decline in collateral coverage requested by participating financial institutions							KGF reports, Nat. Bank of Turkey	annual		
	% decline in collateral coverage	0	5	50	0	0	0				
Output 2.1 Developing a new credit mechanism system KGF/PGS	Number of loans provided using the credit guarantee scheme (value of loans) (10% youth, 30% women)							KGF/Bank reports	annual		Willingness of beneficiaries to take loans/ cluster investment partnerships
	No of loans provided to women			2 040	0	0	0				
	Total No of loans		2 820	6 800	0	0	0				
	No of loans provided to youth				0	0					
	1.1.7 Persons in rural areas trained in financial literacy and/or use of financial products and services										
	Females			972	0	0	0				
	Males			2 268	0	0	0				
	Young			324	0	0	0				
	Not Young			2 916	0	0	0				
	Persons in rural areas trained in FL and/or use of FProd and Services (total)		2 360	3 240	0	0	0				
	Percentage of persons in rural areas accessing financial services										
	Percentage of persons accessing financial services in rural areas		30	70	0	0	0				

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
Output 2.2 New partnerships established with financial sector actors (mainly private banks)											

Turkey

Uplands Rural Development Programme

Supervision Report

Appendix 1: Financial: actual financial performance; by financier by component and disbursements by category

Mission Dates: 3 November/ 21 December 2020
Document Date: 22/01/2021
Project No. 2000001409
Report No. 5648-TR

Near East, North Africa and Europe Division
Programme Management Department

Appendix 1: Financial: actual financial performance by financier, by component and disbursements by category

Table 1A: Financial Performance by Financier up to 15 December 2020

Financier	Appraisal (EUR '000)	Disbursements (EUR '000)	% disbursed
IFAD Loan	35 150	0	0%
IFAD Grant	900	0	0%
Government Contribution	15 700	0	0%
Beneficiaries Contribution	10 950	0	0%
Total	62 700	0	0%

Table 1B: Financial performance by financier by component as of 15 December 2020 ("EUR")

Component	IFAD Loan			IFAD Grant			Government			Beneficiaries			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
1. Promotion of Upland Economic Development Clusters.	29 530	0	0%	360	0	0%	15 110	0	0%	10 950	0	0%	55 950	0	0%
2. Increased Utilization of Financial Services	2 510	0	0%	270	0	0%	80	0	0%	0	0	n.a	2 860	0	0%
3. Project Management	3 110	0	0%	270	0	0%	510	0	0%	0	0	n.a	3 890	0	0%
Total	35 150	0	0%	900	0	0%	15 700	0	0%	0	0	30%	62 700	0	0%

Table 1Ca Disbursement status on IFAD Loan 2000002134 on 15 December 2020 in (EUR)

Category Description	Current Allocation	Disbursement	Balance	% Disbursed
1. Works	4 850 000	0	4 850 000	0%
2. Consultancy	6 250 000	0	6 250 000	0%
3. Grants and Subsidies	15 760 000	0	15 760 000	0%
4. Goods, Services and Inputs	2 125 000	0	2 125 000	0%
5. Operating Costs	2 650 000	0	2 650 000	0%
Unallocated	3 515 000	0	3 515 000	0%
Authorized Allocation	0	2 041 070	-2 041 070	n.a
Total	35 150 000	2 041 070	33 108 930	5.81%

Table 1Cb: Disbursement Status on IFAD Grant 2000002135 on 15 December 2020 in (EUR)

Category Description	Current Allocation	Disbursement	Balance	% Disbursed
4. Consultancy	900 000	0	900 000	0%
Authorized Allocation	0	0	0	n.a
Total	900 000	0	900 000	0%

Turkey

Uplands Rural Development Programme Supervision Report

Appendix 2: Physical progress measured against AWP&B

Mission Dates: 3 November/ 21 December 2020
Document Date: 22/01/2021
Project No. 2000001409
Report No. 5648-TR

Near East, North Africa and Europe Division
Programme Management Department

Appendix 2: Physical progress measured against AWP&B

Sub-Component	Expected Result	Activities to be Carried out	Objective		Beneficiaries				*Budget (1000 Euro)	Executed
			Unit	Total	F	M	Y	Total (F+M)		
SC1.1 Activities that Facilitate Clustering	18 functional MSP meetings and 20 study tours will be organized so that 1,460 project stakeholder's participation will be ensured.	MSP Meetings	Piece	18	157	560	181	717	55,714	22
SC1.2 Infrastructure Investments Supporting Clustering	Increasing the ratio of households reporting production increase to 40% in a total of 15,736 farms in the Eastern Mediterranean and Western Black Sea,	C1.SC1.2.1.a New Milk Collection Center Construction*	Piece	2	30	170	40	200	112,143	0
		C1.SC1.2.1.b Bee Products Processing Packaging Plant*	Piece	1	10	400	20	410	171,429	0
	To increase the ratio of households making market connections within the EDC to 50%.	C1.SC1.2.1.c Milk Collection Center Modernization*	Piece	16	200	2000	290	2 200	157,143	0
		C1.SC1.2.1.d Beekeepers Association Cake Production Center technology renewal, strengthening infrastructure*	Piece	1	50	346	100	396	11,429	0
		C1.SC1.2. 1.e Bee Products sales stands installation*	Piece	5	0	346	100	346	7,143	0
		C1.SC1.2.1.f Milk tank*	Piece	2	0	1021	0	1 021	35,714	0
		C1.SC1.2.1. g Mobile Sales Vehicle*	Piece	1	0	96	0	96	35,714	0
		C1.SC1.2.1.h Irrigation line improvement	Km	60	250	600	300	850	28,751	0
		C1.SC1.2.1.i Slaughterhouse Modernization	Piece	1	75	368	90	443	28,571	0
		C1.SC1.2.1.j: Livestock Market Modernization	Piece	2	125	1686 8	540	16 993	451,429	0
		C1.SC1.2.1.k: Silage Packaging Facility	Piece	1	250	1250	450	1500	92,571	0
		C1.SC1.2.1.l: Farmer Training Center	Piece	1	300	1300	400	1600	57,143	0
		C1.SC1.2.2.a Livestock Market Modernization	Piece	1	0	2 062	200	2 062	314,286	0
		C1.SC1.2.2.2.b Livestock Market Establishment	Piece	6	440	2290 7	475	23 347	2 880,54	0

		C1.SC1.2.2.3.a Vegetable & Fruit Wholesale Market Establishment	Piece	1	30	119	30	149	357,143	0
		C1.SC1.2.2.3.b Covered Market Place Construction	Piece	2	783	2 350	783	3 133	392,857	0
		C1.SC1.2.2.3.c Vegetable / Fruit Market Place Construction	Piece	2	30	119	30	149	414,286	0
		C1.SC1.2.2.3.d Local Product Market Place Construction	Piece	1	50	0	15	50	103,571	0
		C1.SC2.2.3.e Local Products Marketplace Construction	Piece	2	150	595	150	745	357,143	0
		C1.SC1.2.2.4.a Road Construction to Agricultural Lands	Km	30	100	400	50	500	250	0
		C1.SC2.2.4.b Pasture Road Construction	Km	58	100	300	100	400	426,429	0
		C1.SC1.2.2.5.a. Irrigation Infrastructure with Solar Energy System	Piece	1	40	160	50	200	150	0
		C1.SC1.2.2.5.b Irrigation Project (Pumping Unit)	Piece	1	150	400	100	550	171,429	0
		C1.SC1.2.2.5.c Geomembrane Pool Construction	Piece	2	100	325	100	425	314,286	0
		C1.SC1.2.2.5.d Geomembrane Irrigation Pool Membrane Replacement	Piece	2	100	480	150	580	442,857	0
		C1.SC1.2.2.5.e Closed Irrigation System	Piece	8	355	745	270	1100	728	0
		C1.SC1.2.2.5.f: Irrigation Canal Modernization	Km	17	890	1265	565	2155	829,429	0
		C1.SC2.2.5.g Irrigation Main Lines	Km	40	100	200	70	300	142,857	0
		C1.SC1.2.2.7.a Slaughterhouse	Piece	6	310	1360 5	1600	13915	1 502 857	0
		C1.SC1.2.2.8.a Watering Trough Establishment	Piece	154	610	1340	300	1950	76,857	0
		C1.SC1.2.2.8.b Canopy / Shade Construction	Piece	26	50	410	80	460	105,714	0
		C1.SC1.2.3.a Feasibility Studies for Infrastructures	Piece	27					71,429	0
SC1.3 Farmers Skills and Organization	Training 5,466 leader and young farmers on production practices and/or technologies.	C1.SC1.3.7.1 Kiwi Demonstration	Da	22	5	8	7	13	72,857	0
		C1.SC3.7.2 Kiwi Garden Modernization	Da	8	1	1	1	2	14,286	0
		C1.SC1.3.7.3 Persimmon Home Type Drying	Piece	5	2	3	2	5	21,429	0
		C1.SC1.3.7.4 Protective Fence Demonstration	Da	300	1	30	5	31	28,571	0

C1.SC3.7.5 Feed Pea Demonstration	Kg	300	30	110	25	140	10 000	0
C1.SC3.7.6 Silage Corn Demonstration	Da	10	104	490	100	594	59,429	0
C1.SC3.7.7 Calf Care and Feeding Demonstration	Piece	120	37	83	31	120	35 000	0
C1.SC1.3.7.8 Lenox Demonstration	Kg	600	15	45	10	60	1 714	0
C1.SC1.3.7.9 Ryegrass Demonstration	Kg	5500	80	113	64	193	14 857	0
C1.SC1.3.7.10 Artificial meadow pasture demonstration	ton	2	0	25	0	25	11,143	0
C1.SC3.7.11 Trefoil Demonstration	ton	9	25	88	25	103	16,143	0
C1.SC1.3.7.12 Mushroom demonstration	Da	0,4	2	2	1	4	34,286	0
C1.SC3.7.13 Hydroponic farming strawberry demonstration	Da	2	1	1	1	3	48,214	0
C1.SC1.3.7.14 Flax demonstration	Da	250	4	16	3	20	17,554	0
C1.SC1.3.7.15 High Tunnel Greenhouse Installation Demonstration	Da	7,5	15	4	9	19	126,143	0
C1.SC3.7.16 Greenhouse Strawberry Facility Demonstration	Da	27	3	4	5	7	50	0
C1.SC1.3.7.17 Strawberry Orchard Demonstration	Da	27	3	6	2	9	30,857	0
C1.SC1.3.7.18 Lavender Garden Demonstration	Da	35	6	2	4	8	26,143	0
C1.SC1.3.7.19 Irrigation Facility with Solar Energy	Da	35	1	2	1	3	12,857	0
C1.SC1.3.7.20 Hungarian Vetch Demonstration	ton	59,1	108	144	92	252	52,143	0
C1.SC3.7.21 Common Vetch Demonstration	Kg	86,5	115	475	93	590	87,429	0
C1.SC1.3.7.22 Clover Demonstration	Ton	23,04	108	452	105	560	118,929	0
C1.SC1.3.7.23 Pistachio garden demonstration	Da	4	1	1	2	2	58,571	0
C1.SC1.3.7.24 Almond garden demonstration	Da	7	2	5	4	7	14,286	0
C1.SC1.3.7.25 Walnut Demonstration	Da	32	5	12	7	17	57	0
C1.SC1.3.7.26 Vineyard Installation (Wire System) Demonstration	Da	32	4	9	9	13	70,714	0
C1.SC1.3.7.27 Plum Garden Establishment Demonstration	Da	15	1	2	1	3	21,429	0
C1.SC3.7.28 Apple Orchard Demonstration	Da	3	1	2	2	3	12,857	0

		C1.SC3.7.29 Persimmon Demonstration	Da	6	1	2	1	3	17,143	0
		C1.SC1.3.7.30 Life Tent (Nomadic Families)	Piece	9	3	6	2	9	49,286	0
		C1.SC1.3.7.31 Lamb Tent	Piece	9	3	6	5	9	21,429	0
		C1.SC1.3.7.32 Sheep Pen (Tent)	Piece	9	2	7	3	9	60	0
		C1.SC3.7.33 Animal Drinking Water Tank	Piece	3	1	2	1	3	5,714	0
		C1.SC3.7.34 Life Container	Piece	3	0	3	1	3	19,286	0
		C1.SC3.7.35 Paddy Demonstration	ton	9	30	150	50	180	7,143	0
SC1.4 Supporting Individual Investments for the Development of Value Chain	Raising 3,383 households below the national poverty line in the target areas above the national poverty line.	C1.SC1.4.1.1 Modern Walnut Garden Installation	Da	325	13	50	14	63	411,286	0
		C1.SC1.4.1.2 Strawberry Garden Installation	Da	15	1	4	1	5	17,143	0
		C1.SC1.4.1.3 Rehabilitation of Existing Walnut Gardens	Da	50	2	8	2	10	42,857	0
		C1.SC1.4.1.4 Chickpea Field Installation	Da	150	2	8	2	10	10,714	0
		C1.SC4.1.5 Hoeing Machine	Piece	60	29	61	12	90	94,286	0
		C1.SC1.4.1.6 Motorized Scythe	Piece	10	2	8	2	10	4,286	0
		C1.SC1.4.1.7 Pulverizer	Piece	5	1	4	1	5	5,714	0
		C1.SC4.1.8 Silage Machine	Piece	12	3	9	2	12	36	0
		C1.SC1.4.1.9 Feed Mixing Machine	Piece	54	6	48	9	54	130,286	0
		C1.SC4.1.10 Binder Machine	Piece	2	6	1	8	8	29,714	0
		C1.SC4.1.11 Electric Wire for Bees	Piece	16	5	11	3	16	3,791	0
		C1.SC1.4.1.12 Solar powered fence installation	Piece	200	0	200	10	200	189,286	0
		C1.SC4.1.13 Wire Fence Installation	Km	200	0	200	10	200	214,286	0
		C1.SC1.4.1.14 Hazelnut Garden Installation	Da	50	0	12	2	12	64,286	0
		C1.SC4.1.15 Wax melting unit	Piece	45	0	45	15	45	32,143	0
		C1.SC4.1.16 Apiary container	Piece	10	0	10	3	10	14,286	0
		C1.SC1.4.1.17 Barn Modernization	Piece	33	7	26	7	33	68,354	0

C1.SC1.4.1.18 Greenhouse Installation (High Tunnel)	Da	57	106	38	30	144	945,429	0
C1.SC1.4.1.19 Mushroom Facility	Da	1,8	6	12	3	18	154,286	0
C1.SC1.4.1.20 Walnut Peeling Machine	Piece	4	0	4	0	4	2,857	0
C1.SC1.4.1.21 Hazelnut Threshing Machine	Piece	20	0	20	0	0	25	0
C1.SC1.4.1.22 Marmalade Machine	Piece	4	4	0	0	4	2,286	0
C1.SC1.4.1.23 Hazelnut-Walnut Drying Machine	Piece	5	0	5	0	5	7,143	0
C1.SC1.4.1.24 Cereals Sowing Machine	Piece	6	2	4	1	6	22,286	0
C1.SC1.4.1.25 Sheep Pen Rehabilitation	Piece	13	3	9	3	12	8,691	0
C1.SC1.4.1.26 Barn Construction	Piece	7	2	5	3	7	59,143	0
C1.SC1.4.1.27 New Barn Construction (Modern Tent)	Piece	47	13	34	12	47	222,857	0
C1.SC1.4.1.28 New Sheep Pen Construction (Modern Tent)	Piece	47	13	34	12	47	195	0
C1.SC1.4.1.29 Sheep-Goat Shearing Machine	Piece	40	5	35	8	40	14,286	0
C1.SC1.4.1.30 Cow Automatic Curry Comb	Piece	2	1	1	1	2	1,143	0
C1.SC1.4.1.31 Milking Machine	Piece	95	81	14	15	95	30	0
C1.SC1.4.1.32 Milk Cooling Tank	Piece	28	17	11	6	28	44,286	0
C1.SC1.4.1.33. Feed grinder	Piece	15	3	12	3	15	21,429	0
C1.SC1.4.1.34: Feed Crushing Machine	Piece	2	0	2	1	2	2	0
C1.SC1.4.1.35 Cream Machine	Piece	10	3	7	3	10	3,571	0
C1.SC1.4.1.36 Pollen Trapped Hive Distribution	Piece	10100	23	115	42	138	427,143	0
C1.SC1.4.1.37 Beehive Grant Support	Piece	200	3	17	4	20	7,143	0
C1.SC1.4.1.38 Beekeeping Tool Equipment Package	Piece	80	16	64	12	80	228,571	0
C1.SC1.4.1.39 Honey Filtering Machine	Piece	45	0	45	5	45	21,943	0
C1.SC1.4.1.40 Life Tent Package for Beekeepers	Piece	48	12	36	6	48	172,857	0
C1.SC1.4.1.41 Milk Collection Containers	Piece	120	20	100	12	120	60	0
C1.SC1.4.1.42 Individual Irrigation Pool	Piece	75	20	55	8	75	321,429	0
C1.SC1.4.1.43 Wire Fence Package	Piece	120	40	80	12	120	62,857	0

		C1.SC1.4.1.44 Netting Systems	Da	100	5	15	5	20	128,571	0
		C1.SC1.4.1.45 Round Baler	Piece	8	2	6	2	8	115,451	0
SC1.4-2 Raising the Living Standards of Nomads	Living standards of 1302 nomads living in the uplands of the Eastern Mediterranean will be raised.	C1.SC1.4.2.a Life Tents	Piece	282	25	257	50	282	927,19	0
		C1.SC1.4.2.b Portable Solar Powered System	Piece	970	50	920	150	970	647,857	0
		C1.SC1.4.2.c Ovine Shearing Machine	Piece	15	0	15	5	15	10,714	0
SC1.5 Cross Expertise	Coordinate and manage project resources and ensure that the implementation fully complies with the loan agreements in order to deliver at least 75% of the annual Physical and Financial targets by December 2020.	C1.SC1.5.1.e Region Minibus	Piece	2					13,714	0
		C1.SC1.5.1.f Region and Province, Rental Vehicles	Piece	6					408,571	0
		C1.SC1.5.2.a Farmer Support Team Expenses	Piece	2					102,857	0
		C1.SC1.5.2.b FST Training	Piece	2					14,286	0
		C1.SC1.5.2.c : English Training	Piece	7					74,286	0
		C1.SC1.5.2.e Provincial IT and Office Equipment	Piece	124					204,286	0
		C1.SC1.5.3.e Local Study Tour	Piece	1					5,714	0
		C1.SC5.3.f National Study Tour	Piece	1					14,286	0
SC1.6 Knowledge Management and South- South Cooperation	To countries where the IFAD program is implemented; In the fields of agriculture, animal husbandry and forestry, especially institutional structure, strategic planning and implementation, innovative investment projects will be implemented.	C1.SC.1.6/F.3 Targeting ve Gender	Piece	12	360			360	35,714	0
		C1.SC.1.6/F.4 Natural Resource Protection	Piece	6					28,571	0
		C1.SC.1.6/F.5 Climate Smart Agriculture	Piece	6					57,143	0
		C1.SC1.6.F.7 Tika cooperation projects	Piece	3					200	0
2.1.A. Rural Credit Guarantee Systems		Rural Credit Guarantee Mechanism (Bridge Finance Credit Model)		0	0	0	0	0	42,857	0

Turkey

Uplands Rural Development Programme Supervision Report

Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 3 November/ 21 December 2020
Document Date: 22/01/2021
Project No. 2000001409
Report No. 5648-TR

Near East, North Africa and Europe Division
Programme Management Department

Appendix 3: Compliance with legal covenants: status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section B.6	There shall be two Designated Accounts in EUR (one for the Loan and one for the Grant) to be maintained in the Central Bank of Turkey.	Disbursement condition	Complied with	
Section E.1 (a) (i)	The key programme personnel of the Central Program Management Unit (CPMU) shall have been appointed with terms of reference acceptable to the Fund; and a suitable financial management system shall have been installed	Disbursement condition	Complied with	
Section E.1 (a) (ii)	The draft Programme Implementation Manual (PIM) as described in paragraph 12 of Schedule 1 shall have been prepared in form and substance satisfactory to the Fund.	Disbursement condition	Complied with	
Section E.1 (b)	The Rural Credit Guarantee Facility (RCGF) shall have been established with an initial capital contribution from Credit Guarantee Fund (Kredi Garanti Fonu - KGF) and the agreement between MFAL and KGF shall have entered into force in terms and conditions acceptable to the Fund.	Condition for disbursement to RCGF	Not yet relevant	
Schedule 1 para 13	The main planning tool for the Programme will be the Annual Work Plan and Budget (AWPB) which will be prepared using a participatory bottom-up approach within the economic clusters.	AWPB preparation	Complied with	Annual Stakeholders workshop organized for AWPB preparation
Schedule 1 para 14.1	CPMU shall undertake a comprehensive baseline survey in line with the Programme Logframe indicators.	90 days after entry into force	Complied with	Completed with delays
Schedule 3 para 1	The Borrower/Recipient shall ensure that funds transferred to the KGF are deposited in a separate bank account and will not be mingled with other funds.	Condition for disbursement to RCGF	Not yet relevant	
Schedule 3 para 2	An audited annual consolidated financial statement for the entire Programme, together with a management letter on audit observations on internal controls, shall be submitted to the Fund	within six (6) months of the fiscal year end	Not yet relevant	External audits of 2018 and 2019 were waived by IFAD. The first programme audit is expected for 2020, with audit report sent to IFAD before June 30, 2021

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
GC art VII Section 7.01 (b) (ii)	Before each Project Year, the Lead Project Agency shall, if required, submit the draft Project AWPB to the oversight body designated by the Borrower/Recipient for its review.	60 days before the start of the Year	Not complied with	Target date is now 15 January
Schedule 4, para 8(a)	A Mid-Term Review (MTR) to be carried out jointly by the Borrower and IFAD.	At the end of the fourth programme year	Not yet relevant	

