

## **Guyana**

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# **Hinterland Environmentally Sustainable Agricultural Development Project Supervision Report**

Mission Dates: 09/10/2023 to 20/10/2023

Document Date: 30/01/2024

Project No. 2000001472

Report No. 6747-GY

Latin America and the Caribbean  
Programme Management Department



## Abbreviations and Acronyms

<b>ASDU</b>	Agricultural Sector Development Unit
<b>AWPB</b>	Annual Workplan & Budget
<b>BIT</b>	Board of Industrial Training
<b>BP</b>	Business Plan
<b>CSO</b>	Civil Society Organisation
<b>CPDP</b>	Community Production Development Plan
<b>COI</b>	Core Outcome Indicator
<b>DC</b>	District Council
<b>FAO</b>	Food & Agriculture Organisation
<b>FPIC</b>	Free, Prior, and Informed Consent
<b>FPD</b>	Food Policy Division
<b>GESI</b>	Gender Equality & Social Inclusion
<b>GEWE</b>	Gender Equality and Women's Empowerment
<b>GIF</b>	Grant Investment Fund
<b>GoG</b>	Government of Guyana
<b>GLDA</b>	Guyana Livestock Development Authority
<b>GMC</b>	Guyana Marketing Corporation
<b>GWLI</b>	Guyana Women's Leadership Institute
<b>HESAD</b>	Hinterland Environmentally Sustainable Agricultural Development project
<b>ICT</b>	Information Communication Technology
<b>KM</b>	Knowledge Management
<b>LAC</b>	Latin America and the Caribbean
<b>MoU</b>	Memorandum of Understanding
<b>MTR</b>	Mid-Term Review
<b>MDDW</b>	Minimum Dietary Diversity for Women
<b>MoA</b>	Ministry of Agriculture
<b>MoA</b>	Memorandum of Agreement
<b>MoF</b>	Ministry of Finance
<b>MoH</b>	Ministry of Health
<b>NAREI</b>	National Agricultural Research & Extension Institute
<b>NDIA</b>	National Drainage and Irrigation Authority
<b>NTC</b>	National Toshias Council
<b>PO</b>	Procurement Officer
<b>PP</b>	Procurement Plan
<b>PIM</b>	Project Implementation Manual
<b>PMU</b>	Project Management Unit
<b>PCIP</b>	Public or Collective Investment Plan
<b>RDC</b>	Regional Democratic Council
<b>SIGE</b>	Social Inclusion and Gender Equality
<b>SECAP</b>	Social, Environmental and Climate Assessment Procedures
<b>SBD</b>	Standard Bidding Document
<b>TP</b>	Training Plan
<b>VC</b>	Value Chain
<b>VCAP</b>	Value Chain Action Plan

## A. Project Overview

Region: Latin America and the Caribbean Project at Risk Status: Not at risk  
 Country: Guyana Environmental and Social Category: Moderate  
 Project Name: Hinterland Environmentally Sustainable Agricultural Development Project Climate Risk Classification: Moderate  
 Project ID: 2000001472 Executing Institution: Ministry of Agriculture  
 Project Type: Rural Development Implementing Institutions: Ministry of Agriculture  
 CPM: Majja Peltola  
 Project Director:  
 Project Area:

Approval Date: 26/11/2016 Last audit receipt: 30/06/2023  
 Signing Date: 21/03/2017 Date of Last SIS Mission: 20/10/2023  
 Entry into Force Date: 21/03/2017 Number of SIS Missions: 11  
 Available for Disbursement Date: 29/01/2018 Number of extensions: 1  
 First Disbursement Date: 29/01/2018 Effectiveness lag: 4 months  
 MTR Date: 18/10/2021  
 Original Completion Date: 31/03/2023  
 Current Completion Date: 31/03/2024  
 Financial Closure: not available yet

### Project total financing

<b>IFAD Financing breakdown</b>	Latin American and the Caribbean Division	\$500,000
	IFAD	\$7,952,000
<b>Domestic Financing breakdown</b>	Beneficiaries	\$265,000
	National Government	\$2,426,000
<b>Co-financing breakdown,</b>		
<b>Project total financing:</b>		\$21,143,000

### Current Mission

Mission Dates: 09/10/2023 to 20/10/2023  
 Days in the field: Two field teams: Team-1 – Region 7 & 8, 2 days; Team-2 – Region 9, 3 days.  
 Mission composition: In-person: Ms. Majja Peltola, Country Director (Mission Leader); Ms. Rikke Olivera, Project Technical Lead; Mr. Timothy McIntosh, IFAD Liaison Consultant; Ms. Ana Nestorovic, Gender and Social Inclusion Specialist; Mr. Dhia Ben Halima, Procurement Specialist; Mr. Santiago Alvarez, Finance Officer; Ms. Siddika Mishu, COSTAB and EFA Consultant (FAO-CFIF); Mr. Flavio Chaves, SECAP consultant. Remote: Ms. Joanna Corzo, Programme Officer and Monitoring and Evaluation Specialist.  
 Field sites visited: Location Region # GPS Coordinates Kwatamang Village 9 3°56'37.1"N 59°05'58.3"W Wowetta Village 9 3° 57' 0" N, 59° 8' 0" W Yakarinta Village 9 3.9000° N, 59.2500° W Toka Village 9 3.9058° N, 59.3831° W Yupukari Village 9 3.6619° N, 59.3554° W Karasabai Village 9 4.0303° N, 59.5425° W Tiger Pond Village 9 4.0500° N, 59.4333° W Quarrie Village 9 3.3549°N 59.7995°W Nappi Village 9 3.4167° N, 59.5667° W Moco Moco Village 9 3.3333° N, 59.6667° W Paramakatoi Village 8 4.6997° N, 59.7114° W Kamana Village 8 4.8333° N, 59.9333° W Kurukubaru Village 8 4°45'0" N 59°52'60" W Kato Village 8 4.6554° N, 59.8247° W Karrau Village 7 6.4337° N, 58.6487° W

## B. Overall Assessment

Key SIS Indicator #1	∅	Rating	Key SIS Indicator #2	∅	Rating
Likelihood of Achieving the Development Objective		4.35	Assessment of the Overall Implementation Performance		4.17

Effectiveness and Developmental Focus		4	Project Management		4
Effectiveness		4	Quality of Project Management		5
Targeting and Outreach		5	Knowledge Management		3
Gender equality & women's participation		5	Value for Money		5
Agricultural Productivity		3	Coherence between AWPB and Implementation		4
Nutrition		5	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		3	Acceptable Disbursement Rate		4
Partnership-building		4	Quality of Financial Management		4
Human and Social Capital and Empowerment		5	Quality and Timeliness of Audit		4
Quality of Project Target Group Engagement and Feedback		5	Counterparts Funds		5
Responsiveness of Service Providers		4	Compliance with Loan Covenants		4
Environment and Natural Resource Management		4	Procurement		4
Exit Strategy		5			
Potential for Scaling-up		5			

<b>Relevance</b>		<b>4</b>
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## C. Mission Objectives and Key Conclusions

### Background and Main Objective of the Mission

1. The Hinterland Environmentally Sustainable Agricultural Development (HESAD) Project is a six-year, US\$ 11.14 million project funded by IFAD in Guyana. The Project was approved by the Executive Board of IFAD in November 2016, entering into force on the 21st March 2017, and following a one-year extension is currently projected to close by 31st March 2024. HESAD is implemented by a Programme Management Unit (PMU) housed in the Agriculture Sector Development Unit (ASDU) of the Ministry of Agriculture.
2. The Development Objective of the HESAD Project is *Improved livelihood resilience through income generation, access to assets, improved nutrition and adaptation to climate variability*. The project operates in Region 9, and in the Mabaruma and Moruca sub-regions of Region 1 with two pilot projects each in regions 7 and 8, as agreed in the project extension in 2022.
3. After the restructuring of the project in 2020, the Mid-term review (MTR) mission, held in October 2021, acknowledged a significant improvement in project performance. On the side-lines of the UN Food Systems Stocktaking Moment (July 2023), IFAD and the Government of Guyana agreed to consider a proposal for a scale up of the HESAD project through additional finance. Shortly before the mission, IFAD received a draft scaling up proposal to be discussed during the mission.
4. Key mission objectives were:
  1. Review the implementation progress of each component of the project and discuss actual and potential problems and constraints affecting the achievement of outputs and outcome and measures to be taken.
  2. Support the Government to prepare a scale up proposal that meets IFAD's criteria for additional financing including the maintenance of the original development objective, and be consistent with the original design, implementation approaches and components.
  3. Support the PMU to finalize preparations for the project endline survey in Q2 2024, which will simultaneously deliver baseline data for the project's scale up phase.

### Key Mission Agreements and Conclusions

5. The IFAD team applauds the renewed commitment of the Government of Guyana to invest in its Hinterland communities, the majority of which are inhabited by Amerindian peoples. An example of this commitment is the establishment of a specific Hinterland Development Unit within the Ministry of Agriculture. The mission was delighted to recognize that the experience HESAD has accumulated in Regions 1 and 9, and its participatory methodologies, which emphasize nutrition and food security linked with local produce, will be picked up and scaled out through this new Unit. The current HESAD Project Coordinator is under consideration to head the Hinterland Development Unit.
6. The mission acknowledges the extraordinary effort the PMU has made in speeding up project implementation towards the closure envisioned for March 2024. One year since the last full supervision mission, the project has multiplied both financial and technical execution, while also piloting four projects in two new Hinterland regions (7 and 8). Were the project to end in March 2024 (in case the Additional Financing is not approved), HESAD will have financed 371 Business, Training and Public Investment plans in some of the most remote rural communities in Guyana. In addition, it has excelled in introducing a gender and nutrition-sensitive approach in the Ministry of Agriculture's modus operandus.
7. As of September 30, IFAD Loan fund utilization reached 64%, a significant increase from the prior quarter's 51% (see Financial Management and Execution section). Projections for the final semester allocate U\$D 2.8 million (36% of the approved budget) considering the March 31, 2024 project completion. Notably, Q3 projections show substantial investments in equipment and grants. However, these should proceed only with scale-up proposal approval; otherwise, focusing on an orderly project closure is advised.
8. As noted during previous missions, the main concern raised by the IFAD team links to the lack of sufficient and adequate support needed to sustain the investments in the hinterland communities. In the absence of partnerships with the NGO and private sectors, the Ministry of Agriculture needs to step up the technical follow-up and provide the required technical assistance to the incipient businesses. According to the field visits and interviews with project participants, the backstopping by GLDA, NAREI and GMC has not materialized to the extent needed. Many of the businesses still demand significant support in technical skills such as transformation and agro-processing, as well as in basic business management skills such as marketing, accounting, financial management, procurement and reporting. With the recent dry spell and enhanced climate variability, the groups also need better knowledge and understanding of weather patterns and climate-resilient farming practices. Implementing the training plans will remedy some of the most pressing needs, but the Ministry needs to ensure proper follow-up beyond any project closure. The establishment of the Hinterland Development Unit within the Ministry of Agriculture provides the perfect channel for this support.
9. Another area which requires urgent attention is financial management and procurement. Up until recently, the volume of transactions from HESAD to the communities was low and processing them was fairly easy. With the rapid acceleration of financial execution and the steep increase in the volume of diverse transactions (financial, procurement), ASDU needs to put in place a more professional administration system. The current system, with few staff and mostly manual processes, does not cater to the level of sophistication needed for a more complex implementation. The current processes do not guarantee adequate separation of roles nor oversight. On the contrary, they result in mistakes and heightened financial and procurement-related risks. With the new level and pace of execution, the first-hand support and oversight should be transferred to the regions, with the Georgetown-based financial and procurement teams guiding and backstopping the regional teams. Finally, all processes should be automatized to the extent possible, with proper transparency and tracking. Professionalizing financial management and procurement is a necessary condition if the PMU is to implement any additional financing in a short time span.

10. Parallel with the supervision mission, the IFAD team and the ASDU team worked together to sketch the technical and operational framework for the additional financing proposal. This mission report captures, hence, both the main points of the supervision, as well as the principles and actions agreed to process the additional financing proposal. All specific documents required for the additional finance for scaling up, will be drafted as per IFAD Additional Finance guidelines, following the timeline and steps included at the end of the Aide-Mémoire.
11. Finally, as discussed between IFAD and GoG in the July meeting in Rome, for a favourable position on the additional financing, domestic GoG cofinancing to the proposed scaling up must be significant – part of this can be in-kind. Also, the Fund invites the Government of Guyana to substantially increase its current contribution level to the Fund, in view of IFAD13 replenishment cycle (2025-2027), as a signal of commitment with global food systems transformation and rural development.

## D. Overview and Project Progress

### 12. Component 1: Strengthening Communities' and producer groups' investment planning

13. The expected outcome of this component is that communities and producer groups have strengthened capacities to identify investment opportunities and manage economic and climate change risks. The instruments for villages and producer groups to prioritize their investments and capacity building proposals to be submitted to the HESAD Grant Investment Fund (GIF) are: Public/Collective Investment Plans (PCIP); Business Plans (BPs); and Community Training Plans (CTP).
14. The Mission team commends the PMU for having largely achieved the completion of the development of all plans with 109 plans approved and having started implementation since the February 2023 project support mission. This includes the 4 pilot plans for region 7 and 8 (two in each region, all PCIPs). The mission recognizes the significant effort behind this remarkable achievement by the HESAD team, even though this is lower than the 179 planned in the original AWPB. This is mainly due to 58 CTPs still in the process (10 being developed, 17 with completed design, and 31 with completed design and signed awaiting approval by the panel, and signature of contracts). All these CTPs are expected to start implementation by the beginning of November 2023. The remaining 12 planned plans will not be developed. If the project were to complete by 31st March 2024, the risk of plans not being implemented is low, with the PMU planning to complete all plans by the end of February 2024. However, in the 2024 completion scenario, as also recommended in the February 2023 mission, the government should commit to cover any eventual expenditures paid after the completion date as these would become ineligible for IFAD funding.
15. The February 2023 mission agreed that to facilitate upscaling decisions, the communities' perception of the plan development process would be systematically documented in all four regions. Outcomes would also be monitored in terms of increase in production, income and job creation. While some data have now been collected on the latter, the documentation of communities' perception of the process has not yet started. It is important that the outcome survey planned to be conducted in December includes questions to capture these perceptions.
16. The main delayed activities in the 2023 AWPB are the implementation of the Training Plans to be supported by NAREI, GLDA and trainers in ICT and business management, as well as the investments with government agencies agreed as part of the 2020 restructuring. This includes the weather stations to be implemented by HYDROMET but also pasture improvement with the groups currently supported by livestock BPs supported by the GLDA. The PMU should decide, by the end of October, if funds need to be reallocated to consolidating approved BPs and PCIPs in particular from the investment in weather stations, since time would no longer be sufficient for their implementation ahead of project closure in March 2024.

### 17. Component 2: Implementation of Investment Plans

18. The objective of this component is to establish an approval and funding mechanism for the different plans and support the communities in the implementation of their PCIPs, PBs, and TPs to achieve increased production, income, employment, resilience and nutrition.
19. The mission was happy to note that communities in general appreciate the support they get from the HESAD team for the implementation of their plans. HESAD has more field presence than other projects and programs, and the systematic follow up was also mentioned by the Secretariat of the National Toshao Council (NTC) interviewed during the mission. The project now supports 199 plans in implementation and 110 plans are completed (compared to 129 in implementation and 71 completed in February 2023). Most frequent PCIP investments are public buildings including meeting spaces (46), roads and bridges (34), water ponds and tanks (19) and school kitchens and dining halls (12). The most popular BP investments are poultry (36), cattle and sheep (34), crops and shade houses (25), and agro-processing (15). The M&E system continues to capture outcomes in terms of increased production and incomes.
20. The MoAs with NAREI and GLDA have still not been signed and training has not started. The HESAD team has continued efforts to engage successful producer groups and private sector partners in providing technical support to the BP groups such as the Blue Flame, the Wowetta Women's Association, and the Rupununi Livestock and Producers' Association. Many groups have received business management training, and some have received the HYDROMET PICSA (Participatory Integrated Climate Services for Agriculture) training for crop farming decision making. Nine videos are planned to be made with selected committed producer groups enabling the sharing of their experiences with others. The videos would include cassava processing (Wowetta), honey production, poultry, shade house production, and a video on community engagement in the rehabilitation of kitchens in support of the school feeding program in the villages.
21. Despite these welcomed activities, at this late stage in project implementation there is a risk of failure in the sustainability of the groups and of HESAD investments on-the-ground with many groups not having received key training for the successful management of their businesses and production activities. The ten women's sewing groups have not received any training in

sewing. Bakeries need follow up training in how to incorporate nutrition considerations in their products. The ten ecotourism groups have not received training and have little capacities in business management, avoiding single use plastic, waste management, and tour guidance. All these groups have been assessed by the Guyana Tourism Authority, but the training proposal they have submitted has not yet been approved by the PMU. Groups involved in shade house production, crop production, cattle and poultry have received some guidance from local NAREI and GLDA staff, but much more is needed for them to adopt resilience practices to climate shocks and high input prices. Training in integrated pest management (IPM) and integrated soil fertility management (ISFM) and compost is limited with no training in production and use of bio-pesticides. Training in crop and variety diversification, seed production, spacing of planting dates and climate smart intercropping to spread risks is lacking. Poultry and cattle farmers need training in feeding practices, local fodder production and storage, and rangeland management.

22. Some of the infrastructures need finishing and agreements on use and maintenance. As an example, the water ponds for livestock or multiple use need channels or pipes to drinking troughs away from the pond to avoid cattle and sheep drinking directly from the pond. The catchment area and its vegetation, as well as the area around the pond, should be protected from e.g. animal trampling to avoid the degradation and siltation of the pond.
23. The PMU should look at alternatives for ensuring that the groups get access to exchange and advisory services to secure their success and sustainability. As the design of new plans has now completed, the HESAD team should focus on systematically assessing, recording and responding to the needs of the BP groups as well as needs for finishing PCIP infrastructure and their management/governance and maintenance arrangements. As recommended in the February 2023 mission, the PMU should consider increasing thresholds and amend contracts to add funding for technical assistance for existing BPs that can be contracted directly by the BP groups. The PMU could provide the groups with a pre-approved list of local technical advisory service providers to streamline the timely access to services and lay a foundation of local support that strengthens post-project sustainability. Other complementary options already partially being implemented by the team, are the exchange visits and the active use of the group-to-group experience sharing videos that can help to strengthen the survival rate and sustainability of the activities of the BP groups.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Documenting evidence for scaling up</b> Include questions in the outcome survey to systematically document communities' perception of the participatory plan development process.	PMU/M&E officer with field facilitators	12/2023
<b>Implementation of community training plans</b> All CTPs should be in implementation as soon as possible.	PMU	12/2023
<b>Reallocation of funds in the AWPB</b> If needed, an updated AWPB and request for reallocation of funds (weather stations, pasture and other delayed activities) should be submitted for IFAD's No Objection.	PMU	12/2023
<b>Mitigate the risk of ineligible expenditures at completion</b> In the case of the March 2024 completion scenario, the government commits to cover any eventual expenditures paid after the completion date.	PMU	12/2023
<b>Good practice and experience sharing videos</b> Complete at least 4 videos for farmer-to-farmer or group-to-group sharing.	PMU	12/2023
<b>Consolidate existing CPIP and BPs, strengthening project quality and viability.</b> Spend resources for more exchange, technical and advisory support for existing BP groups.	PMU	12/2023

## E. Project implementation

### a. Development Effectiveness

#### Effectiveness and Developmental Focus

Effectiveness

Rating: 4

Previous rating: 4



### Justification of rating

24. Since the last supervision, HESAD has made significant progress towards meeting its log frame targets, with the original target for outreach having already exceeded and 76% of the revised end target achieved. The increased targets approved with the project extension proposal posed a new challenge, but HESAD further accelerated its fast implementation pace. With the completion of the remaining investments, reaching the increased revised end target is feasible.

### Log-Frame Analysis & Main Issues of Effectiveness

25. At outreach level, the project has reached 29,245 persons (76%) of the revised end target of 38,400. At output level, key results include: the development of 128 PCIPs (61 under implementation, 65 completed and 2 to be implemented), representing 95.5% of the end target (134), and 169 BP (88 under implementation, 79 completed, and 2 to be implemented) representing 84.5% of the end target (200). The development of training plans (TP) in total, currently stands at 10 TP completed equivalent to 20% of These targets are indicative considering the demand driven approach of the project design, which did not limit the number of different proposals per village. With extension targets, there is still work to be done in HESAD's last implementation months. However, the rapid progress made by HESAD in 2021 and 2022 with the development and the implementation of plans may indicate the project can meet main physical targets by project completion (134 PCIPs, 200 BPs, and ).
26. At outcome level, the project has provided 6,253 households in targeted communities with access to public goods exceeding the initial end target of 6,000 and has ensured access to productive infrastructure for 2,253 people (56% of end target). No outcome survey has been conducted yet on the project, but M&E data collected on BP indicates that 2,402 people in 2041 households have started operating their businesses. The data also suggests that 1,485 households have experienced increase in production and revenues. This result, which represents 74% of the end target for households who have increased their production, has seen a sharp increase over the last months as new business plans are completed and businesses have become operational. With 191 households adopting technologies that improve adaptability to climate change, the logframe target has been surpassed (109%).
27. The construction of public/business infrastructures, which made use of local labour, allowed 1,577 beneficiaries to access temporary employment. The completed business plans allowed 219 people to start a new part-time income generating activity in a thematic area that is new to them, such as bakery, sewing, poultry, etc. providing them with skills to diversify their household income sources.
28. Some progress on training at output level translates into progress at outcome level on the number of people with access to technical assistance and agri-extension services (524 - 10% of the target) and the number of people with access to business support services (547 - 11% of the target). Progress on the number of households with minimum dietary diversity will remain unknown until it is measured through a COI survey at completion.

### Main issues

**Due to delays in the signing and/or operationalization of the MoAs that the project is pursuing with GLDA and NAREI, outputs related to training still lag behind. So far, 229 persons have been trained in production practices and/or technologies (15% of end target), and 7,375 household members have benefitted from those trained in nutrition (74% of end target). 791 people have received training in gender (29%), and (70%) on other topics, including leadership, M&E, and environmental awareness, and Participatory Integrated Climate Services for Agriculture, compared to 16% and 24% from the previous mission, and 16 people trained on ICT. These numbers were expected to increase in the first and second quarters of 2023 had GLDA, NAREI delivered the expected training.**

### Development Focus

Targeting and Outreach

Rating: 5

Previous rating: 5

### Justification of rating

29. As of October 2023, the number of persons receiving services from the project is 29,245 an increase of 8,462 people since the last supervision mission held in February 2023. The outreach achieved so far corresponds to 76% of the target of 38,400 approved with the project extension. The corresponding number of households is 6,253, which represents 78.16% of the revised end target of 8,000.

### Main issues

30. HESAD exceeded both, its outreach end target as revised at MTR (10,500) and its original end target set at design (18,000). With the approval of the project extension proposal, the end target for outreach increased again above the original target and was set at 38,400 persons receiving services from the project. While ambitious, this target seems feasible, since HESAD has reached 29,245 persons in 2023. Such a large increase in outreach within only one year was possible because HESAD adopts a rather strict definition of "people reached," and only reports as beneficiaries the people reached by completed investment plans (or those in the last payment tranche). Therefore, outreach figures have been increasing stepwise, and will continue to increase substantially as the BPs and PCIPs are being completed.
31. HESAD continues to show good results in terms of gender and social inclusion: 49% of beneficiaries are women; 40% are youth

(well above the target of 30%); and 97% are indigenous people (up by 1% since the last mission and well above the target of 75%). Given that the outreach figures are determined by the village-level PCIP infrastructure investments, and that all household members are counted in most cases), these percentages of women, youth and indigenous people are just a representation of the population of the targeted community, which is something the project has no influence on. A more indicative number is the share of women and youth among the people in targeted communities participating in production activities (group or individual) with established business plans. Here, we find 62% of women and 53% of youth which shows a change from 51% youth recorded at the last mission.

<b>Gender equality &amp; women's participation</b>	<b>Rating: 5</b>	<b>Previous rating: 5</b>
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#### Justification of rating

32. HESAD continues to sustain notable efforts in the implementation of Project's Gender and Social Inclusion Strategy reaching almost 50% women participation. Strategies objectives are linked to IFAD's principal policy objectives and include : (i) improvement of livelihood resilience through adaption to climate vulnerability (ii) strengthening of the stakeholders on gender and social inclusion issues, (iii) promoting women and youth leadership Social Inclusion and Gender awareness sessions are ongoing in the regions 1 and 9 and progressing with the implementation in the new-piloted regions 7 and 8, reaching a total of 791 female and male beneficiaries. Actions are implemented in collaboration with the Gender Affairs Bureau of the Ministry of Human Services and Social Security, even though an official MoA has not been signed.

#### Main issues

33. In parallel HESAD's Gender and SI officer facilitates the participation of HESAD beneficiaries in women's and youth conferences, leveraging resources with diverse partners such as Wapichan Women's Movement, operating in Region 9 (Deep South Rupununi) Guyana Marine Conservation Society, operating in Region 1, and Kanuku Mountains Representative Community Group, (Central Rupununi). HESAD has put much effort into ensuring women's organisations are fully engaged due to their strong link with the beneficiaries, accountability and support from the communities. In addition, the mission observes that these partnerships could be a part of a long-term rural women's engagement and empowerment strategy. New Women's Forums are scheduled to be held in the coming months in Moruca (region 1) and South Pakaraima (Region 9).
34. Through these social mobilizations and collaborations, HESAD reports the participation of 261 women and young people in the forums in 2023. Topics covered include (i) empowerment of indigenous women and youth through technical and life skills capacity building; (ii) women's and indigenous rights; (iii) environmental resources management; (iv) sustainable economic opportunities, (v) leadership and decision-making. Some of these capacity building and collaboration processes resulted in the creation of networks for women, such as the network of Mabaruma sub district and the Central Rupununi network. These engagement spaces continue to motivate women's participation, strengthening of women's collective, instrumental and intrinsic agency, and exploring issues related to gender, gender roles and workload, leadership and social inclusion. In addition, it is recommended to organise these efforts as part of a long-term rural women's support partnership strategy to assure sustainability.
35. In its efforts to mainstream gender, the project field facilitators have been trained in gender and social inclusion, and actively participate and support the facilitation of forums, conferences and training programs. Economic empowerment: HESAD reports 47 women led business plans, benefitting 709 women beneficiaries. Sewing and Bakery business plans are 100% run by women whereas mixed groups lead poultry and agro-processing. There are some challenges related to the signing of MoA with the Gender Affairs Bureau – Guyana Women Leadership Institute. The project contracted Blue Flames Women's Group and Mabaruma Premier Cocoa Growers (Region 1) to conduct training in finance, bookkeeping, monitoring and evaluation with the business beneficiaries including women-run businesses, which have an objective to strengthen women's technical as well as functional skills and further develop the women run businesses. No outcome survey has been conducted yet, but the M & E data collected on BP shows initiation in the operation of the businesses and increasing production, which also includes women run businesses. For future planning the mission recommends that soft skills training as well as violence prevention and masculinities should be an integral part of all the capacity-building efforts.
36. The mission noted that the HESAD Gender and SI officer has designed and presented for comments, a practical handbook for the field staff "SIGE Handbook for Field Officers." The handbook will give valuable inputs and raise awareness for continuous promotion of equal participation of the project beneficiaries.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>MoHSSS Protocol</b> Share with field staff, MoHSSS' protocol on addressing the social issues raised by beneficiaries based on the experience with Merundoi (teenage pregnancies, gender-based violence etc.), and support field staff with measures (e.g. via a MoHSSS workshop) to strengthen their capacity.	Sig Officer at PMU	12/2023
<b>GRM Poster</b> Distribute the updated GMM poster and give visibility in accessible spots as well as in the MOA.	Sig Officer at PMU	12/2023
<b>Disseminate SIGE Handbook, GMM, FPIC as well as ESM risk matrix with the field facilitators.</b> Organise an integral workshop for disseminating the SIGE Handbook, how to give close support to the beneficiaries concerning use of the GMM, operationalization of the FPIC as well as the implementation of the Project's ESM risk matrix for the Field Facilitators.	Sig Officer at PMU	01/2024

### Agricultural Productivity

**Rating: 3**

**Previous rating: 4**

#### Justification of rating

37. The project M&E dashboard has recorded before and after income data from 42 BPs of the 123 agricultural BPs as a proxy for increased agricultural production. The average increase in income per BP is GU\$ 75,444 (USD 361). Other data available are the same as in the Sept 2022 supervision mission: 12 group BPs, that had received their final tranche of funds, have led to 169 households reporting an increase in production and 141 households reporting an increase in income. The 25 village council BPs, that had received their final tranche of funds, had led to an improvement in the access to food in local food systems through the increased production of food sold locally including: 2,800 kg of chicken meat, 1,768 kg of beef, and 50 kg of vegetables. An outcome survey is planned for Dec 2023.

#### Main issues

38. The M&E system is collecting data from the field on increase in production, however this data is not systematised and recorded in the project M&E dashboard. The quality control of data collected by the field facilitators is done by the project's M&E officer in some cases but needs to be more systematic. The M&E officer flagged that there could be an issue with the field facilitators collecting the data as they may be biased towards painting a positive picture of the BP groups that they are supporting. However, it was noticed that 7 of the 42 BPs reporting on before and after income reported a decrease in income, which could indicate limited bias.
39. The increase in production achievements is expected to increase further over the next months as more BPs gain maturity in their implementation. The outcome survey planned for Dec 2023 will provide for a systematic documentation for increase in production and income from the agricultural BPs. The IFAD team has provided support for the questionnaire to be used. The information that will be collected related to agricultural production and productivity include: crops cultivated and livestock raised and yields; income from agricultural activities; use of irrigation and eventually experienced water scarcity; access to extension; most critical challenges perceived in farming activities; total land under agricultural production versus total agricultural land owned or managed by the farmer/community; most relevant climate and other shocks and crisis affecting the agricultural production and eventual experienced losses; climate resilience production practices adopted.
40. The HESAD has been increasing training, technical assistance and peer-to-peer learning activities to support the BP groups since the last mission, however, there is still need for further improvement to ensure the project's prospects for improved production and productivity is fully and sustainably realised.
41. The recommendation discussed with the PMU in the September 2022 supervision mission on the importance of supporting the producer groups and village councils in continuously updating their business plan's costs, production and income and cashflow tables is still valid. This will help the groups to have up to date understanding of the productivity and profitability of their production activities for decision-making.
42. The recommendation from the June 2022 mission on the use of benchmark productivity data from NAREI and GLDA databases to compare with productivity data collected from the BP groups is also still valid. This should be part of the training of the groups to evidence productivity gaps and gains under the BPs.

### Nutrition

**Rating: 5**

**Previous rating: 5**

#### Justification of rating

43. All agreed actions from the previous mission for nutrition have been accomplished. HESAD reports 572 households surveyed in region 1 and 9 on nutrition information and practices related to good nutrition, dietary diversity, food preparation and consumption,

as well as diversification of production. The team is progressing with data processing and analysis. The results of the survey should be presented in mid-November and include relevant aspects from the following sources: (i) 107 community trainers trained and subsequent training in communities, (iii) Merundoi Radio Serial Drama and the “Stirring the Pot” street theatre. The Partnerships with Partners - FPD, Merundoi and CSHE - are ongoing and show solid engagement of beneficiaries, even though no formal MOU is in place with the FPU.

### Main issues

44. Approximately 7,440 beneficiaries have been trained to date on nutrition, healthy diets and associated practices. The mission has identified an opportunity to leverage resources related to the School Feeding Programme. This programme will be taken into consideration as learning experience and will feed into the design of the Ministry of Education’s school feeding policy, currently supported by FAO and WFP. HESAD sustains the progress with respect to nutrition training with communities completed in regions 1 and 9. Programmed Nutrition training activities completed in Region 7 (Karrau & Agatash) with approximately 65 benefitting in this region. The training is scheduled to commence in region 8 (Kato & Paramakatoi) by the end of October 2023. HESAD is considering continuing the collaboration with Merundoi, either in this year, or during the scale up phase of the project. As also raised in previous meetings with Merundoi, they are encouraged to ensure the tracking of behavioural change potentially through control and experimental group surveys, follow up engagement of the staff in field visits with the beneficiaries, trained young community facilitators engaging trained in NGOs methodology and post continuous follow up, incorporated as part of the methodology. Merundoi has agreed to share the audience numbers of the Street Theatre and the online reach of the Radio Serial Drama so these beneficiaries could be incorporated into the outcome survey to be implemented by HESAD.
45. Taste Test kitchens for indigenous cookbook recipes that were submitted for the indigenous cookbook are completed by CSHE and the final draft of the recipe book is to be submitted by the end of October for PMU’s review. The HESAD team in coordination with the NTC, once the cookbook has been approved; and printed, will coordinate the presentation and distribution of the cookbooks with the beneficiaries. Baseline nutrition data for regions 7 and 8 has been collected and is being analysed by the HESAD team. The SOFA study (State of Food and Agriculture in Barima-Waini Region of Guyana study, using an agri-food system framework) for Region 1 has also been finalised as well as the preliminary outcome survey. These studies and surveys include the Minimum Dietary Diversity for Women (MDDW) indicator. The data is being processed, pending workshop for the presentation in December 2023.
46. The PMU confirms that 11, out of 14, school kitchens have been refurbished in support of the School Feeding Program of the Ministry of Education. Currently FAO and WFP are supporting the Ministry of Education on the design of a School Feeding Policy. The mission identified an opportunity to support the Ministry of Agriculture contributing in this process, and support the Ministry of Education to build upon the ground experience of HESAD, continuing to strengthen rural school feeding programs based on locally produced nutritious food as part of the development of a new school feeding policy for Guyana. The mission also favourably noted that trainers that were trained by the FPU as part of the nutrition strategy also targeted the business plan beneficiaries that have bakeries, showing direct links between nutrition and income generating activities. In case the project requires some additional support related to the reporting of this indicator, the mission suggests liaising with the IFAD Nutrition team.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Cookbook</b> Complete the final review of the Indigenous recipe book text, and the final pre-print version and prepare a distribution plan.	GSI Officer at PMU	12/2023
<b>Radio Drama Survey</b> Share the survey dataset, and the analysis report on beneficiary perceptions of the radio serial drama, and the street theatre with IFAD.	M&E & GSI Officer at PMU	12/2023
<b>R8 Nutrition Training</b> Implement nutrition trainings for Region 8 with the FPD.	GSI Officer at PMU	12/2023
<b>SoFA and Nutrition Workshop</b> Organize a workshop for sharing the results of the SOFA study and nutrition surveys.	M&E & GSI Officer at PMU	12/2023

**Adaptation to Climate Change**

**Rating: 4**

**Previous rating: 4**

### Justification of rating

47. Enhancing resilience of rural families and communities is a key development objective of the project. A household resilience index and scorecard has been developed for each of the two regions and applied in their respective baseline studies. Many of the interventions under the PCIP and PBs are contributing to climate resilience and adaptation, despite climate change risks and vulnerability assessments not being systematically included in the plan preparation process. The project is using the checklist for resilience enhancing actions for the different types of PCIP and PB, to provide guidance in field visits. There is an improved inclusion of rainwater harvesting and solar panels now in the investment plans when relevant.

## Main issues

48. As already recorded in previous mission the climate resilience benefits from 25 completed PCIPs include: 4,662 people with improved connectivity in the flooding season due to the construction of bridges, rehabilitation of roads and boat landing sites; the instalment of 126 water storage tanks, provide access to water when pumping and other water provisioning equipment are temporarily under repair for 5 school kitchens, 6 community bakeries/shops and 2 sanitary blocks, 5 crops cultivation plots (including shade houses), 8 poultry rearing facilities, 2 agro processing facilities and households used by at least 950 people. 25 village council BPs, have increased the food produced and sold locally which is important in times of floods leaving the communities disconnected. These production activities are generating some much-needed income for the Village Funds which are used for reinvestment in the production activities or for public services provided by the council including funds to support families in case of emergencies. This is contributing to community resilience.
49. Field visits in previous missions to communities in Region 9 observed that the placement of infrastructures have in most cases considered the avoidance of areas with increasing flood risk. The investments in shade houses provide stable cultivation conditions even under high climate unpredictability and the instalment of solar panels for water pumping, internet points and community multipurpose rooms avoid that the communities are disconnected in periods of flooding. Finally, diversification of production contributes to spreading risks and creating income opportunities. The diversification includes among others the rehabilitation of school kitchens sourcing as much as possible from local food production and investing in climate adapted black giant chickens for both meat and eggs and other livestock production.
50. During the field visits in this mission to R7 and R8 there were consistent reports of adverse impacts of climate events (droughts and heavy rains) on agricultural production - including cases of crop failures (especially cassava). This shows the importance of adaptation and resilience enhancing activities in the implementation of the BP and PCIP. The PMU has conducted some climate change training in the communities and uses the checklist for resilience enhancing actions per PCIP and PB type, developed and discussed with IFAD in previous missions. Some communities have received the HYDROMET PICSA (Participatory Integrated Climate Services for Agriculture) training for crop farming decision making.
51. More can be done to facilitate the adoption of climate change adaptation and mitigation practices. The 10 ecotourism groups have not received training and have little capacities in business management, avoiding single use plastic, waste management, and tour guidance. All the groups have been assessed by the Guyana Tourism Authority, but the training proposal they have submitted has not yet been approved by the PMU. Groups involved in shade house production, crop production, cattle and poultry have received some guidance from local NAREI and GLDA staff, but more is needed for them to adopt resilience practices to climate shocks and high input prices. Training in IPM and ISFM including compost making is limited with no training in production and use of bio pesticides and seed production. Based on previous mission's recommendations some groups are now circulating manure to crop production. Training in crop and variety diversification, spacing of planting dates and climate smart intercropping to spread risks is lacking. Poultry and cattle farmers need training in feeding practices, local fodder production and storage for prolonged dry season, and rotational grazing management.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Adaptation and resilience building measures</b> Continue the follow up on the implementation of adaptation and resilience building measures (see matrix developed during the March 2022 mission with adaptation and resilience building actions by plan type)	PMU/Environment Officer	

## b. Sustainability and Scaling up

**Institutions and Policy Engagement** **Rating: 3** **Previous rating: 4**

### Justification of rating

52. HESAD continues to have less influence on the policy environment than its innovations and resulting success would lead one to expect. Important work by the project on nutrition, inclusive community project design, school feeding, and resilience (to name a few), have not yet translated to changes at the policy level. The project has supported an increased focus on hinterland agricultural development but has not yet systematically leveraged its knowledge generated to influence policy, nor to better position project beneficiaries in the conversation on policies impacting them.

### Main issues

53. There is limited action to highlight project successes; knowledge management is the responsibility of the M&E Officer and is effectively crowded out by core M&E activities. Communications and visibility activities are nascent, subsumed in the KM portfolio, and in the current project management arrangement, unlikely to create fertile grounds for substantive change at the policy level.
54. IFAD has previously and continues to encourage the PMU to share experiences with local and international partners, and more broadly with agencies of the Ministry of Agriculture. While there is some knowledge sharing underway, e.g. via the multi-stakeholder evaluation panels, it is not systematic, nor broad-based.
55. The formation of a Hinterland Unit within the Ministry of Agriculture, and FAO's advancement of a school-feeding policy, present future opportunities for the project to influence the enabling environment at the institutional and policy levels.

<b>Partnership-building</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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#### Justification of rating

56. The project has expanded its partnership portfolio and is facilitating more peer-to-peer partnerships between beneficiary groups. Partnerships with the private sector have not been systematically advanced, and there is no clear strategy to influence existing or new partnerships for more tangible or effective support to community projects.

#### Main issues

57. Although MoAs are not in place in every instance, the PMU relies on strategic partnerships with sister agencies (NAREI, GLDA, GMC, and NDIA) to deliver services and support on the ground. The project's GIF Evaluation Panels bring together a diverse mix of local and Indigenous People's organizations, and function to some extent as a platform for information sharing on the project. Via this mechanism, RDCs, Conservation International, commercial banks, and the NTC are involved in the project, receiving access to information on all investments at community level that are funded by the project. The evaluation panels also provide resources for organizations to visit community projects, to see firsthand the progress made on the ground, and to inform the evaluation of future projects by the panel.
58. Since the last supervision mission, the PMU has advanced some collaboration with the Guyana Marine Conservation Society (in Region 1), hosting a Women & Youth Forum in Region 1. The project has also maintained relationships with the DCs (NRDDB, SRDC, KMCRG) in Region 9, providing HESAD updates at quarterly statutory meetings of the DCs, and financing training and GESI activities through these organizations. Similarly Blue Flame Women's Group, Mabaruma Premier Cocoa Growers, and RLPA have delivered training or peer-to-peer mentoring on HESAD's behalf, resulting for example in new poultry producers at the local level in Region-9.
59. Improving information sharing, e.g. by granting access to the HESAD project dashboard (or to a similar dynamic source of information) and taking shared responsibility for improving service delivery could progress these and other relationships to the realm of partnerships.

<b>Human and Social Capital and Empowerment</b>	<b>Rating: 5</b>	<b>Previous rating: 4</b>
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#### Justification of rating

60. Community led interventions as well as the social fabric, have been identified as a value added of HESAD. The capacities of HESAD beneficiaries continue to be strengthened through multiple capacity building efforts for community representatives covering soft skills as well as conceptual and technical aspects, implemented by the project PMU technical specialists in Gender Social, Inclusion and Climate, as well as through the partnerships with specialised organisations such as Merundoi, Gender Affairs Bureau of the Ministry for Human Services and Social Security as well as the Food Policy Unit of the Ministry of Health, Carnegie School of Home Economics and multiple diverse civil society partners (See Gender).

#### Main issues

61. To maximise the impact of the training and to ensure all project beneficiary communities have access to the nutrition information, the Project utilised the **Training of Trainers intervention**. The aim is to build the capacity of the participants (Trainers) in promoting Good Nutrition for household dietary diversity and ultimately to improve the nutritional status of persons in the communities at large. Beneficiary communities are invited to select an individual from their respective School Feeding Program/ Hot Meal Program, Health Worker or a community mentor. The person identified is committed to return to his/her community to conduct a training with villagers/ representatives of at least 15 households; to date 1453 households have received support to improve their nutrition. The Food Policy Division created a network of Trainers by creating a WhatsApp group of the trainers. The identification of the trainers is done through the village council for each beneficiary village was sent a letter of invitation requesting that they select someone from their School Feeding Program/ Hot Meal Program, Health Worker or a community mentor as the person identified needed to return to conduct community level training. This methodology has proven to mobilise as well as strengthen human capital.
62. The HESAD team implements the FPIC process in close collaboration with the field facilitators. All the project proposals are signed between the project and the Village council (usually 3 projects per community). The project beneficiaries have been trained in monitoring and evaluation as well as business and organisational aspects of the projects. Training includes the beneficiaries, treasurers, Toshaos and Chairpersons (in some). The field facilitators are also active participants in nutrition and gender training. Cooks from the school feeding programme attend the nutrition training.
63. The Gender Affairs Bureau in coordination with the HESAD Gender and SI officer is elaborating a national protocol for identifying social risks. Once finalized, the document will be shared with the project. No date for completion has been given. The project has agreed to support the dissemination of this protocol. Mission recommends testing of the protocol with field facilitators.

<b>Quality of Project Target Group Engagement and Feedback</b>	<b>Rating: 5</b>	<b>Previous rating: 5</b>
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#### Justification of rating

64. Engagement during the mission's field visits indicated that both central and field PMU staff, were easily accessible, responsive and showed commitment. The field facilitators engage with beneficiaries on daily basis, they report to the regional coordinators, the regional coordinators report to the specialized Officers. The network of field facilitators (over 50% women) are key actors to

engage and assure the quality participation of beneficiaries. However, the mission observes that the field facilitators do need further empowerment as they engage in multiple activities related to community relations, development as well as procurement related. PMU has finalised the GMM poster (however, the Field Facilitator contacts to be updated) to be printed and distributed within communities. The community contracts include an FPIC agreement signed.

#### Main issues

65. HESAD uses inclusion mechanisms for women and youth participation, such as women “care kits” coordination with childcare centres. The mission urges the HESAD team to ensure that all field staff have the practical quick handbook for the field staff “SIGE Hand Book for Field Officers” as well as the Protocol for addressing Social issues. The GMM poster needs to be distributed in accessible spots as well as in the MOG. The mission emphasises that Free and Informed Prior Consent (FPIC) has been applied in line with national policy regulated by the Ministry of the Amerindian Affairs, in full coordination with the village council for regions 1 and 9; however, its application in region 7 and 8 has to be strengthened. This good practice will be taken in consideration for the potential support to the development and dissemination of the National FPIC Guidelines, currently in design by the NTC. The Field facilitators (over 50% women) will be trained to provide close support to the beneficiaries concerning use of the GMM, the awareness of and the operationalization of the FPIC as well as the implementation of the Project’s ESM risk matrix.

<b>Responsiveness of Service Providers</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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#### Justification of rating

66. In critical areas, livestock (44% of all BPs) and crop (10% of all BPs) projects, service delivery to project beneficiaries has not improved significantly since the last supervision mission. Although the MoA with GMC has been signed, and work is underway, MoAs with GLDA and NAREI remain dormant, stymying the flow of project resources to training activities. Efforts to recruit BIT to provide (business) training to BPs not reached by GMC, have so far not led to a MoA nor to services to beneficiaries. In other thematic areas, service providers and the PMU have responded with community training needs, with additional training plans (10 completed, 6 underway, and 58 on the way to the Evaluation Panel), and by adapting the training content e.g. adding financial reporting to M&E training. In total 1711 people have been trained in topics not related to business plans. In select areas of Region-9 local service provider RLPA has delivered training and support for new poultry producers. In Region-1, the PMU has used local experts and peer-to-peer networks to provide both specialized technical support e.g. chocolate-making to the Blue Flame Women’s Group, and business management support e.g. from the Mabaruma Premier Cocoa Growers Association. Training reports provided by the PMU are comprehensive. Feedback from participants suggest more than 50% of services provided are of acceptable quality.

#### Main issues

67. MoAs with service providers (MoA agencies and others) must be finalized immediately, and services to community projects, foremost BPs, expedited.
68. The PMU could increase the use of user feedback to influence service delivery. In some cases, this hasn’t happened because the provision of services has not formally commenced (as in the case of NAREI and GLDA), but also because the arrangements for the assessment of user feedback are too protracted to influence the quality of service delivery (as in the case of Merundo’s street theatre and radio serial drama). Across the board the PMU should emphasize the collection of user satisfaction data as per previous mission recommendations.

<b>Environment and Natural Resource Management</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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#### Justification of rating

69. The last round of approved PCIPs includes 19 investments in water ponds and other water harvesting infrastructure supported by the NDIA and based on the hydrological study done for region 9 supported by the HESAD. NDIA has guided the communities in conservation of the ponds’ catchment areas. The PCIP and BP format has a checklist for environment and natural resources (NR) management risks, but not all groups are aware of risks and opportunities related to their plans. All regions have low population density and pressure on NR and restoration needs are in general low. However, the increasing challenges from climate change and engagement in new livelihood activities including increasing cattle and sheep herds require new knowledge and practices.

#### Main issues

70. To support the improved management of and investment in water resources, a MoU was signed with the National Drainage and Irrigation Authority (NDIA) to conduct a hydrological study of surface water in the southern part of region 9. The study, identifying water needs of the villages and the opportunities for water harvesting infrastructures, has finally been finalised and laid the basis for water investments. The study has led to new water storage infrastructure in Region 9, predominantly ponds and open reservoirs. Infrastructures not financed by HESAD may be included in NDIA’s work plan for the coming years.
71. Previous missions observed that the investment in sanitary blocks in region 9 include septic tanks for the proper management of the effluent. Some of the poultry groups are recycling manure and slaughter waste into home gardening soil improvement. This illustrates that the few investments with substantial environmental risks are adequately mitigated and some opportunities for efficient use of NR are being implemented. Risks and opportunities that could be given further attention in the different types of plans were discussed in detail in the March 2022 mission both with NAREI and in the technical session on climate adaptation and resilience conducted during the mission with the IFAD technical expert and the PMU. This mission noticed some improvements in

particular in the circulation of manure and slaughter waste into crop production, some training in composting have been provided, and investments have been increased in rainwater harvesting and solar panels. The mission and the PCU environmental officers reviewed the tables with adaptation and resilience building actions by plan type which include environmental and NRM activities. The PMU/environment officer should continuously follow up with NAREI, GLDA and field facilitators on the implementation of these actions in the plans and on training the communities and groups as needed.

72. As mentioned in previous missions, the risk and opportunities that need continued attention include: ensuring that awareness and a system is in place for systematic recollection and recycling or proper disposal of plastic and mesh from shade-houses when they need to be renewed to avoid their pollution of the environment; reducing single use plastic in tourist activities and implement systems for recollection and proper disposal and composting of organic waste; proper treatment and management of grey and black water from tourism facilities and sanitary blocks; training and support for adoption of IPM and ISFM including recycling nutrients between crop and livestock production; use of rainwater harvesting and recycling of treated greywater from tourist facilities and school kitchens to shade houses and vegetable gardens in particular in Region 9 where water resources can be scarce; and sustainable grassland management.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Follow up on NRM risks &amp; opportunities</b>  Follow up with NAREI, GLDA and field facilitators on the implementation of these actions in the plans and on training the communities and groups as needed.	PMU/Environment Officer	

**Exit Strategy** **Rating: 5** **Previous rating: 4**

#### Justification of rating

73. An exit strategy has been developed, although additional work is required to update the document to consider the 2022 project extension, and changes to the context, significantly Government's payment to communities from the sale of carbon credits. There is increasing institutional ownership of the community projects by MoA agencies (NAREI, GMC, GLDA), and high ownership by beneficiary community groups. MoA's commitment to establishing, staffing and resourcing a Hinterland Development Unit is a major lift for sustaining support to HESAD's investment and for an orderly exit for IFAD.

#### Main issues

74. The mission welcomes the Ministry of Agriculture's commitment to establishing a Hinterland Development Unit, and the continued commitment of key MoA agencies, NAREI, GLDA, and GMC to supporting projects post-HESAD. Both actions contribute to improving sustainability for the project's investments.
75. Beneficiary ownership and association with the community projects appears high, demonstrated by community contributions, levels of engagement, and feedback from community representative organizations including the National Toshao Council (NTC).
76. In line with the recommendation of the last implementation support mission (ISM), the Exit & Sustainability Strategy needs to be updated to reflect the 2022 project extension, and the inclusion of pilot interventions in Regions 7 & 8. Any update should proactively consider the substantial resources projected to flow to communities from the sale of carbon credits by the Government, and the NTC's increasing involvement in the planning and support to community projects.
77. The February 2023 ISM also flagged the need to improve information sharing with other actors including RDCs, CI, WWF, the GEF small grants programme, and District Councils, so these can act to support the sustainability of community projects.
78. While the project dashboard has been shared with some agencies and agency management, the PMU should expand access to include regional agency heads e.g. in the Regional Departments of Agriculture, and importantly, District Councils where these exist, or provide periodic updated information through other channels.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Access to information</b>  Ensure regular access to updated information on community projects and their status for MoA regional agency heads and the NTC. Secure permission from the Office of the Minister-MoA to share information on project status with relevant non-governmental partners including District Councils, WWF & CI.	Project Coordinator	12/2023
<b>Update exit strategy</b>  Update the Exit & Sustainability Strategy to reflect the project extension, the inclusion of pilot interventions in Regions 7 & 8, and changes in the context.	Project Coordinator	12/2023

**Potential for Scaling-up** **Rating: 5** **Previous rating: 4**

#### Justification of rating



79. HESAD presents a good opportunity for combining the project's experiences in two of four hinterland regions (Regions 1 & 9), with resources from government and beneficiary communities to scale up the project to the two remaining hinterland regions (7 & 8). This follows a limited piloting of the HESAD approach in 4 communities in Regions 7 & 8 during the 1-year extension agreed in 2022. The PMU is advancing data collection (outcome surveys, user satisfaction surveys) to provide more evidence for scaling up and has committed to accelerating documentation and knowledge sharing in the coming months. The government has requested additional IFAD financing for scaling up of HESAD (to include Regions 7 & 8) and IFAD is expecting significant co-financing from the Government in this regard. Government expenditure for hinterland agriculture received a US\$2M allocation in the 2023 national budget and this is expected to rise in 2024. MoA has also committed to establishing a Hinterland Development Unit within the ministry to facilitate the scaling up.

**Main issues**

80. The project is beginning to document evidence for scale up but needs to improve knowledge sharing with other development partners to improve the project's strategic impact on hinterland and rural development. The communities in the hinterland regions are well-positioned to contribute to the scaling up, and with the right support, to finance investments on the ground. Over the next 10 years, Indigenous communities will receive 15% of revenues from the sale of carbon credits by the Government to HESS Corporation for a minimum of US\$750 million. In 2023, communities received and are investing the first tranche of approximately US\$24M in project's determined by the communities. Key capacities acquired from the current HESAD project can support communities to best utilize these new funds, including community M&E, valorising Indigenous cuisine, managing business start-up and improvement processes, the importance of nutrition, gender, and resilience. Peer-to-peer training and support at the enterprise level, are also ripe for deployment in the remote landscapes of Regions 7 & 8.
81. The scaling up additional financing is preliminary foreseen to be up to USD 10 million from IFAD, USD 10 million from the Government of Guyana and an estimated USD 0.5 million from project beneficiaries totalling USD 20.5 million. The aim of the additional finance is two-fold: 1) To consolidate and scale the production activities already invested in with the BP groups in R1 and R9 by focusing on investments in processing, innovations in products and market access (incipient Value Chains) and ensuring the adoption of climate resilient practices and strategies; and 2) Expand the HESAD community based investment approach to additional Amerindian communities in the Hinterland regions - R8 (mainly North Pakaraima), and R7 (mainly lower and Upper Mazaruni).
82. The proposal is considering the following key lessons learned from the first phase of the HESAD project:
- FPIC processes need to be strengthened and adapt to the VC facilitation process.
  - Nutrition awareness activities are relevant and need to be continued.
  - Gender issues need to be systematically addressed including gender-based violence via Merundo's approach; and women's active participation in investment planning and capacity building activities and business management and benefits.
  - Climate change adaptation and resilience needs to be consistently addressed and experiential learning facilitation capacities needs to be built among extension and field staff as well as among the farmers bringing in experiences, technologies and practices from outside through south-south exchange.
  - Key successful elements of the HESAD approach that merit continuation are: i) the participatory community planning approach inclusive of women's groups; ii) the Grant Investment Fund transferring funding to the communities (however a group account would be preferred, when feasible, instead of a village council account to avoid the funds being mixed with other funding with other purposes); and iii) the regional approval panels of plans with the participation of local stakeholders giving visibility and opportunities for coordination with other initiatives.
  - There is an opportunity to build on HESAD's successful direct transfer approach to the communities resulting in high level of ownership and empowerment and strengthen their capacities in procurement and financial management in the implementation of community and business investments.
  - Make sure the beneficiaries of the plans get timely and high-quality technical assistance both in the development and implementation of their plans. Current HESAD experience suggests that GLDA, NAREI and GMC are not readily available.

**c. Project Management**

<b>Quality of Project Management</b>	<b>Rating: 5</b>	<b>Previous rating: 4</b>
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**Justification of rating**

83. The PMU's staff contingent remains stable, with limited staff rotation. One vacancy, for a Field Coordinator in Region 9, remains unfilled, and has been assigned to a member of the central PMU staff in the interim. Field presence is high, with both field facilitators and central PMU staff active throughout the year; close engagement with beneficiaries has become a hallmark of the project. Project steering committees are active in the main project regions and provide some advice to the PMU. All agreements with implementing partners are not in place, although some level of support is being provided in the absence of MoAs.

**Main issues**

84. The PMU has progressively built out its project management capacity, with good success advancing a significant number of new investments since the last implementation support mission. The PMU has broad presence in the field through both Field Facilitators and from a network of M&E leads at community level, allowing it to address implementation issues quickly. In anticipation of the formation of a Hinterland Development Unit within the Ministry of Agriculture, all efforts should be on retaining this human resource pool, and strengthening capacities for a robust, empowered delivery team. As recognized in previous missions, the use of the Regional Agriculture Committees as localized Project Steering Committees is a useful innovation contributing to project sustainability.

85. Despite the PMU's successes in the field, advancing a mix of community investments, nutrition and GESI programming, its work remains largely unknown to development practitioners and the wider public. Raising the profile of the project through improved communications and visibility actions will benefit all project stakeholders.
86. Two years after the MTR report noted the absence of agreements between arms of the Ministry of Agriculture, Memorandum of Agreement (MoA) with GLDA and NAREI (both agencies of the Ministry of Agriculture) and GWLI had not been concluded. Although NAREI and GLDA have provided some technical support to the project and to community beneficiaries, substantive training programs for beneficiaries, identified as critical over multiple supervision missions, are currently still in the procurement process. The PMU is considering issuing smaller contracts to GLDA and NAREI via Community Training Plans to avoid the procurement issues budgeting delays that have plagued these contracts for more than two years.
87. The PMU is currently attempting to negotiate an agreement with the Board of Industrial Training (BIT) replacing GWLI, with whom the PMU has made no progress in concluding an agreement. This needs to be expedited.
88. While the post of Regional Coordinator in Region 1 has been filled, the same role in Region 9 remains vacant. In the scenario where the additional financing is not approved, filling the Region 9 Regional Coordinator position with less than six months remaining to project closure is not practical. The PMU should assign these responsibilities to a member of the wider PMU team, ideally a staff based in Region 9.
- 89. Project management considerations for the additional finance**
90. The introduction of a value chain approach in some of the regions will require a shift in project management, increasing demands on the project's monitoring and knowledge generation capacities, and favouring agile project management close to the ground. Slow decision making, and poor task management will frustrate business-oriented value chain actors and undermine outcomes for all stakeholders.
91. The PMU should prepare to strengthen capacities at the regional and sub-regional level including:
- Monitoring and learning capacity - collecting, reviewing and using value chain data to inform modifications to the project's results chain.
  - Delegating authority and responsibility to field facilitators and Regional Coordinators.
  - Value chain facilitation, supported by an expert in the Georgetown PMU.
  - A dedicated Regional Coordinator based in each region.
92. At the PMU level, and serving Field Teams in all regions, the project should build:
- Value chain facilitation skills at expert level.
  - Capacity to deliver nutrition and food innovation services.
  - Monitoring of key indicators for each value chain (e.g. imports, market trends, input pricing and supply, weather risks), and proactive dissemination to project and value chain actors.
  - Knowledge creation and communications capacity.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>MoAs with supporting partners</b> Finalize MoAs with the Board of Industrial Training, GLDA, & NAREI for the provision of training to beneficiary groups.	Project Coordinator	

**Knowledge Management**

**Rating: 3**

**Previous rating: 3**

**Justification of rating**

93. HESAD has a detailed and complete KM strategy whose implementation continues to lag. While some progress is recorded on KM products, such as the training of field facilitators as a KM effort, and the development of the concept and main ideas of the infographic, HESAD continues to face challenges regarding the monitoring and implementation of KM activities which have been long in the planning. Most KM previous agreed actions have not been accomplished. KM products have not been finalized and while the field facilitators' have been trained, the implementation of the KM activities is slow.

**Main issues**

94. HESAD does not have a dedicated KM officer, and KM functions are carried out by the M&E officer. Due to the speeding up of HESAD's implementation pace, resulting in a high amount of M&E data and activities to be carried out that has been prioritized and KM has not received sufficient attention.
95. IFAD team has encouraged the PMU to dedicate efforts to KM and reiterated previous recommendations. As HESAD nears completion and is being scaled up to other regions beyond its original geographical scope, the documentation and the dissemination of lessons learned becomes of much importance. HESAD's best practices should be captured and disseminated through a variety of communication outlets.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>HESAD Process infographic</b> Develop an infographic that explains the process adopted by HESAD.	M&E/KM Officer	12/2023
<b>Videos</b> Produce short videos on crop/livestock production, climate smart agriculture or other technical issues to provide technical support to the project's investment plans.	PMU Coordinator	01/2024
<b>Booklet</b> Develop a booklet on linking farmers with school feeding programmes.	M&E/KM Officer/Project Coordinator	01/2024
<b>Dissemination</b> Operationalize the dissemination plan of HESAD documented success stories and knowledge products.	M&E/ KM Officer/Field facilitators	

**Value for Money**

**Rating: 5**

**Previous rating: 3**

#### Justification of rating

96. Economic and Financial Analysis (EFA) models were used for a sample of BPs for investments in cattle, poultry, and cassava production to assess the current status of viability for these investments. The data used for the simulation were provided by the PMU based on actual data provided by the producer groups that have received HESAD support. This will guide the approach to be taken for the additional financing for scaling up in these three value chains and help assess the proposed new investments. The preliminary results from the EFA suggests that the return on investment is more than 20% which is satisfactory and confirms the economic and financial viability of investing in those projects.

#### Main issues

97. Some of the key results for the project intervention for the Economic and Financial Analysis (EFA) are given below to justify the value for money for HESAD project.
98. **Cattle production:** The Project has supported income generating activities in cattle rearing. From the sub projects in the cattle rearing model, the FNPV is estimated to be GY\$ 200,000 with the FIRR of 31 percent. The EIRR for the investment in cattle rearing is also found to be 32 percent with the ENPV of G\$180,000. The EFA for cattle rearing has been conducted on a 10-year horizon. In total 26 cattle BP has been implemented in the project area.
99. **Poultry:** Economic and Financial analysis (EFA) has been carried out for a 10-year horizon starting from the inception of the project in 2016. The EFA model for the poultry farming business plan (BP) represents the income generating activity for poultry. The financial net present value (FNPV) is estimated around \$614,000 with the FIRR and EIRR of 38% percent and 24% percent, respectively. Usually, the potential income generation will be accrued by selling eggs and poultry with better management practices. The IRRs of more than 10 percent implies that the investment for income generating activities in poultry are economically viable. In total 36 poultry BP has been analysed in the project area.
100. **Cassava-processing:** Guyana has vast areas of land with soils of low agricultural potential. Cassava production and processing have high potential for generating income for farmers. IFAD's experience in other countries also highlights the potential to diversify cassava processing into non-traditional value-added products including for the bakery and dessert sectors. The project incurred FNPV of GY\$613,000 with FIRR of 34 percent. The economic returns from the investment are 27 percent and the ENPV is GY\$423,000.
101. The assumption made during the design stage of EFA, still holds similar assumption to conduct the current EFA. There have not been many changes that should be mentioned while conducting this EFA.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>EFA</b> Update and complete the EFA for the investment made since 2016 and check the financial viability. Also make an updated result for the additional financing.	EFA consultant	11/2023
<b>COSTAB Result</b> Update the COSTAB result.	EFA consultant	11/2023

**Coherence between AWPB and Implementation**

**Rating: 4**

**Previous rating: 3**

**Justification of rating**

102. By September 30, 2023, the utilization of funds from IFAD loan has reached 64%, a significant increase compared to 51% in previous quarter, and is expected to continue its acceleration as more investment plans complete their implementation, alongside the increased presence of field facilitators. There is good progress in terms of physical execution of activities, although technical trainings by NAREI, GLDA were expected to pick up in the first and second quarters of 2023 still lag.

**AWPB Inputs and Outputs Review and Implementation Progress**

103. By October 2023, at outreach level, the project had reached 29,245 persons (76%) of the revised end target of 38,400. At output level, key results include: the development of 128 PCIPs (61 under implementation, 65 completed and 2 to be implemented), representing 95.5% of the end target (134), and 169 BP (88 under implementation, 79 completed, and 2 to be implemented), and representing 84.5% of the end target (200). At outcome level, the project has provided 6,253 households in targeted communities with access to public goods exceeding the initial end target of 6,000 and has ensured access to productive infrastructure for 2,253 people (56% of end target).

104. The IFAD team remains concern regarding the lack of sufficient technical support provided to the investments in the hinterland communities for sustainability. The backstopping by GLDA, NAREI has not materialized to the extent needed.

105. The PMU has submitted the revised 2023 AWPB. Projections for the final semester of the project allocate US\$ 2.8M (36% of approved budget) with project completion date March 31, 2024. Q3 projections show substantial investments in equipment and grants to proceed only with scale-up proposal approval; otherwise, it is advised focusing on an orderly project closure.

106. It is important to prepare and submit the AWPB for the 2024 fiscal year, which includes the closure period (if AF is not approved). This should include winding-down activities during the closure period, such as key personnel responsibilities, costs for final evaluations and the preparation of the Project Completion Report (PCR), a final event to communicate program results, and considerations for office supplies, travel costs for closing regional offices (if applicable), and audit fees.

**107. Main Issues:**

108. The main delayed activity in the AWPB FY2023 is the implementation of the Training Plans to be supported by NAREI, GLDA and trainers in ICT and business management. There are also delays in the investments government agencies agreed as part of the 2020 restructuring. This includes the weather stations to be implemented by HYDROMET and the pasture improvement with the groups currently supported by livestock BPs with GLDA.

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
<b>Updated 2023 AWPB &amp; PP</b>  Updated 2023 AWPB and Procurement Plan. Submit to IFAD for No-Objection and updated 2023 AWPB and PP, reflection the recommendations from the mission.	PMU	10/2023
<b>2024 AWPB</b>  Prepare and submit AWPB for the 2024 FY, inclusive of closure period.	PMU	12/2023

**Performance of M&E System**

**Rating: 4**

**Previous rating: 4**

**Justification of rating**

109. Overall, the mission notes good progress on M&E recommendations. The dashboard is a useful and updated tool to monitor progress of investment plans and inform management decisions. The M&E plan is implemented. The project produces adequate and reliable information to monitor HESAD implementation performance and measure project outcomes and impact.

**M&E System Review**

**110. M&E system Review**

111. Data on outreach and outputs is regularly collected and updated in the dashboard and in the log-frame. The project team sets annual log-frame targets and revises them during the year according to implementation progress. This shows that the logframe is being used for decision making as a management tool. Progress is noted also in the implementation of the participatory M&E approach. All targeted communities now have trained community monitoring officers with 73% of the monitoring officers responsible for reporting on PCIPs and 61% of those responsible for reporting on BPs have submitted reports to the project. This progress is to be attributed both to the M&E training conducted by the M&E officer, and to the presence of field facilitators who can follow up with communities and regularly collect the filled-in monitoring forms.

**112. Main Issues**

113. The counterpart shared concern for a continuous issue due to (i) impossibility of monitoring on real time due to remote access

and handling of information from remote areas to Georgetown, (ii) source data from routine monitoring continues to be paper-based due to lack of internet in remote areas hence any issues highlighted in the forms arrive with months delay, (iii) data entry is challenging as it is time consuming and although they receive part time support from the MOA's M&E Unit (10 days a month), it is not enough to cover time demands, (iv) need for M&E officer on the ground to independently to evaluate work.

114. The collection of baseline data has been completed in all districts; the logframe has been updated with baseline data; the monitoring dashboard has been expanded and is updated with information on BP groups' training needs and trainings received; and the ID numbers of beneficiaries have been collected. The preparation of ToRs for the end-line survey has been done.
115. The initial delays in project implementation slowed down the materialization of outcomes. However, due to the project's considerable progress in implementation of BPs and PCIPs over the past year, results at outcome level are materializing. A Core Outcome Indicators (COI) survey will be carried out at completion and its respective TORS have been completed and awaiting comments to launch procurement. The first draft was completed in July 2023 and finalized in September 2023. The resilience scorecards with be included in the completion survey. Data on baseline and outcome data on PCIPs and BPs from regions 7 and 8 has been collected and is currently under analysis.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>COI Survey</b> Include the COI survey in the revised AWPB and PP and submit for IFAD's No Objection.	PMU	12/2023
<b>COI Survey Procurement</b> Launch procurement for Core Outcome Indicators (COI) completion and baseline survey, including resilience scorecards.	FAD (TOR review) and M&E/KM Officer	12/2023
<b>R7 &amp; R8 Baseline</b> Report baseline data on PCIPs from regions 7 and 8 (Data Analysis is ongoing).	M&E/KM Officer	12/2023
<b>Region-1 Knowledge sharing</b> Host a workshop to present the findings of the Region-1 SoFA and baseline.	M&E/KM officer	12/2023
<b>M&amp;E Dashboard</b> Upload backlog of data to the M&E dashboard and keep it updated, making use of data input services by ASDU.	M&E/KM Office	

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

**Rating: 4**

**Previous rating: 5**

**Justification of rating**

116. Overall, the mission notes good SECAP implementation. The PMU team has a good grasp on themes and issues to be monitored. However, documentation of SECAP implementation can be strengthened possibly in association with the M&E recommendations. Furthermore, continuous capacity building for Field Facilitators should be considered so they are better able to identify and address environmental, climate change and social risks in the implementation support. The project's dashboard is a useful and updated tool to monitor progress of investment plans and inform management decisions. The mission recommends that the magnitude of investments is included in the dashboard to guide SECAP supervision and monitoring efforts.

**SECAP Review**

117. The SECAP documents were produced and are satisfactory and in line with the Social, Environmental, and Climate Assessment Procedures (SECAP) requirements at the time of project preparation. These include the SECAP review note, the Project Implementation Manual (PIM) and the Environmental and Social Management Plan (ESMP). The ESMP was developed in 2019, to manage the environmental and social impacts by putting in place mitigation measures that are essential to implement the project in accordance with Guyana's Environmental Protection Act 1996 and IFAD's SECAP regulations.

118. Furthermore, the project was designed with full consideration of the risk of biodiversity loss and designed to mitigate such risks and strengthen resilience as key PDO – hence, social, environmental and climate change concerns are well mainstreamed in the project. The project includes measures to increase biodiversity, availability of diversified nutritious food, promote care-take of ecosystems and ecosystem services, and avoidance of unsustainable use/production of living natural resources.

119. The project has assigned social and environmental officers from the Ministry who support the due consideration of social, environmental and climate change concerns in subprojects and that work with the communities to develop investment plans. Their work is complemented by the Field Facilitators that work with communities on a continuous basis. According to the last

implementation report there are no projects within the portfolio of the HESADP that have measurable negative impacts on the environment.

120. Screening of potential risk and impacts of subprojects is analysed with a checklist. However, monitoring of eventual impacts of field observation is absent from the Projects’ dashboard. The mission recommended that the magnitude of subprojects be added to the dashboard to provide an indication of the eventual impact level and to guide supervision efforts if necessary.
121. Considering the eventual extension of the project the PMU’s social and environmental officers mentioned that additional capacity building for Field Facilitators working with the beneficiaries would strengthen awareness about the identification and handling of social, environmental and climate change concerns in community projects. Furthermore, they recommended that the current screening checklist and monitoring tools be adjusted to allow an easier usage by field facilitators.

#### d. Financial Management & Execution

<b>Acceptable Disbursement Rate</b>	<b>Rating: 4.0</b>	<b>Previous rating: 2</b>
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##### Justification of rating

122. Automated rating based on IFAD disbursement data

##### Main issues

123. The project is currently in its 7th year of implementation, with a disbursement rate of 93% for the loan and 97% for the grant financing. There has been one project extension thus far. The rate of disbursement is closely tied to the project's implementation progress, which has notably improved over the past two and a half years.
124. As of September 30, the utilization of funds from the IFAD Loan had reached 64%, a substantial increase compared to the previous quarter when it was at 51%. Projections made during the supervision mission for the final implementation semester indicate an allocation of \$2.8 million for the IFAD Loan, which accounts for 36% of the approved budget. This allocation is of particular significance given the approaching project completion date of March 31, 2024.
125. It's worth highlighting that the IFR Q3 projections also show significant investments in the equipment category, amounting to \$559,000, and the grants category, totalling \$1.2 million. However, given the current project completion date of March 31, 2023, there exists a potential risk that IFAD may decide to retain a portion of the disbursement related to grants and equipment. This potential risk is associated with the late payments to implementing partners as the project reaches its completion. It is essential to emphasize that, in accordance with the General Conditions (GC section 4.08(a) (ii)), all deliveries of goods, completion of civil works, and provision of services must be finalized on or before the project's completion date.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<p><b>Reconcile IFAD disbursements and advance recovery</b></p> <p>Review Historical Transaction Report and reconcile IFAD disbursements and advance recovery. Submit WA#5B as per instructions given by IFAD FO.</p> <p>-----</p> <p>Feb 2023. This issue was discussed with the Finance Team. The initial proposal to resubmit WA#5 (to be called WA#5A) is considered a duplication of the expenditures included in the transaction. FO is consulting with FCD other plausible solutions.</p>	Project Finance Manager	03/2023

#### Fiduciary aspects

<b>Quality of Financial Management</b>	<b>Rating: 4</b>	<b>Previous rating: 5</b>
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##### Justification of rating

126. Project finances, overseen by ASDU Finance Section with HESADP collaboration, need improved internal controls. The Finance Manager oversees the Finance Officer, but low-value tasks divert focus. Budgeting faces delays, and recording beneficiary contributions lacks systemization. Internal controls, especially in the Grant Investment Fund, impact financial reporting. Financial accountability for grant-receiving communities is hindered, and PMU lacks control measures. Audit reports, though commendable, fall short of full IPSAS compliance.

##### Main issues

127. The project's financial management, handled by ASDU Finance Section through the HESADP Finance Officer and reporting to the Finance Manager, allows collaboration between HESADP and ASDU finance teams. However, enhancing internal controls and financial management capacity is crucial. Currently, FM staff are engaged in low-value tasks, diverting attention from core responsibilities related to internal control and financial reporting. To address this, additional capacity is needed by delegating routine tasks to less-qualified personnel and increasing staff.
128. Budgeting is a collaborative effort but often requires post-submission revisions, and the FY 2023 AWPB faced significant delays. The AWPB for project closure awaits IFAD approval, necessitating the definition and agreement on closing activities. Funds flow and disbursement generally run smoothly, with no delays in counterpart fund disbursement. However, recording beneficiary

contributions lacks a systematic approach.

129. Internal controls are in place but face limitations. The Grant Investment Fund lacks adequate fiduciary provisions, impacting financial reporting and community accountability. Communities receiving grants lack clear financial accountability requirements due to the absence of a tax redistribution system and financial inclusion restrictions, including challenges in opening bank accounts. Internal control measures at the PMU level are non-existent, and field facilitators provide periodic reports and reviews without a systematic approach.

130. The Chart of Accounts is suitable, and Interim Financial Reports are now prepared quarterly. While audit reports are commendable, they do not explicitly reference the cash basis IPSAS accounting standard in the project's financial statements, falling short of full compliance.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Amend end dates</b> Identify all BPs and PCIPs that have not yet submitted final justifications (0 payment) and amend end dates.	Project Coordinator	11/2023
<b>Labelling</b> HESADP shall ensure that all facilities and civil works used in connection with the Project are correctly labelled with the corresponding IFAD logo for audit purposes.	Project Coordinator	11/2023
<b>Staff capacity plan</b> Enhance Staff Capacity: Propose a plan to IFAD for staff capacity enhancement to boost financial oversight. This involves reviewing FM personnel's TORs to delegate operational tasks to less-qualified staff while expanding the team (consider incorporating an intern for data entry tasks). This aims to establish internal control measures and ensure transparent financial reporting, aligning with the project's objectives.	ASDU Finance Team	02/2024
<b>FM capacity enhancement</b> Identify capacity training programs online or in person for the FM personnel in financial reporting and internal control.	ASDU Finance Team	02/2024
<b>PIM &amp; GIF manuals</b> PIM and Grant Investment Fund manual are to be updated to enhance internal control mechanisms and controls.	ASDU Finance Team	04/2024
<b>Enhance QuickBooks</b> ASDU should partner with a specialized QuickBooks consulting firm to enhance the system. The primary focus should be on transitioning to a cloud-based financial record backup solution. Additionally, new financial modules, including multicurrency, fixed asset registers, and ideally IFRS reporting, should be integrated and developed.	ASDU Finance Team	04/2024
<b>External Audit of Investment Fund</b> Monitor the progress of the audit of the Investment Fund and facilitate communication between the private audit firm and the Office of the Auditor General to ensure legal compliance and the incorporation of the audit report into the overall audit of the HESAD.  (Timeline: Upon start of audit and until completion audit of fund and project)  Procurement of firm is ongoing.	Programme Manager	

**Quality and Timeliness of Audit** **Rating: 4** **Previous rating: 5**

**Justification of rating**

131. IFAD acknowledges the timely audit report submission, emphasizing the need for explicit reference to the IPSAS cash basis standard in the project's financial statements. Control mechanisms remain effective, and risk-rated recommendations are advised for internal controls.

## Main issues

IFAD acknowledges the prompt submission of the audit report for the project's financial statements, conducted by the Auditor General's office. The audit report and financial reports demonstrate commendable quality. However, it has come to our attention that the project's audit report does not explicitly cite the cash basis IPSAS accounting standard in the auditor's opinion on the financial statements. Instead, this reference is placed in the accompanying notes of the financial statements, thereby falling short of full compliance with the established standard.

Moreover, it is suggested that the management letter on internal control could be enhanced by providing recommendations rated according to their associated risks. The project management letter duly addresses pertinent comments and incorporates management responses. It is worth highlighting that control assessments have revealed no weaknesses, underscoring the effectiveness of the control mechanisms in place.

<b>Counterparts Funds</b>	<b>Rating: 5</b>	<b>Previous rating: 5</b>
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### Justification of rating

132. Government Counterpart funding allocated is US\$2.42 million, with US\$1.25 million disbursed. FY 2023 allocation is US\$0.8 million, covering 54% of projected needs. In-kind contributions documentation progresses, emphasizing timely reporting of cash contributions. ASDU should align the Grant Investment Fund guideline with IFAD's in-kind contribution guidelines for better operations. Field facilitators should consistently implement the revised methodology, reporting beneficiaries' contributions with each payment for proactive tracking and reporting.

## Main issues

133. The total Government Counterpart funding allocated for the project's duration amounts to US\$2.42 million, with US\$1.25 million (52%) disbursed to date. The GoG's allocation for FY 2023, as outlined in the latest AWPB submitted to IFAD, is US\$0.8 million. As of 30 September 2023, the available counterpart funds in the project's operating account are estimated at USD 0.44 million, which covers 54% of the projected needs for the current fiscal year. Good progress has been made in documenting government and beneficiaries' in-kind contributions. However, the mission highlights the importance of ensuring that cash contributions from beneficiaries are duly reported before the closure of the business plans.

134. To secure further improvements, the ASDU team should review and adapt the guideline to the Grant Investment Fund mechanism's operations in line with IFAD's in-kind contribution guidelines. Field facilitators should ensure the consistent implementation of the revised methodology, and beneficiaries' contributions should be reported with each payment, rather than solely at completion. This change promotes proactive and accurate tracking and reporting of in-kind contributions.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Beneficiary Contribution</b> Ensure that cash contributions from beneficiaries are duly reported before the closure of the business plans.	ASDU Finance Team	10/2023
<b>In-Kind Guidelines</b> In line with IFAD's in-kind contribution guidelines, the ASDU team should review and adapt the guideline to the Grant Investment Fund mechanism's operations. Field facilitators should ensure the consistent implementation of the revised methodology, and beneficiaries' contributions should be reported with each payment, rather than solely at completion. This change promotes proactive and accurate tracking and reporting of in-kind contributions.	ASDU Finance Team	04/2024

<b>Compliance with Loan Covenants</b>	<b>Rating: 4</b>	<b>Previous rating: 3</b>
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### Justification of rating

135. The audit report for the Grant Investment Funds, originally due on June 30, 2023, is still pending. This delay is primarily due to the signing of the contract with the private audit firm in October, which might result in the audit report being available only by year-end. This delay can impede timely decision-making for the scale-up proposal. Complying with the Finance Agreement's requirement for the punctual submission of audit reports is important. To ensure better adherence in the future, it is recommended that the Finance Manager takes a more proactive role in the timely approval process of auditors' TORs, working directly with the procurement team under the Project Manager's supervision.

136. IFAD acknowledges the timely presentation of the audit report for the project's financial statements, conducted by the Auditor General's office. The audit report and financial reports are of high quality. However, the accounting standards (IPSAS Cash Basis) are not adequately disclosed, as required by international norms. The Finance Officer and HESAP finance team have already engaged with the Auditor General to address this matter, and we expect it to be rectified in the upcoming audit reports.

137. The financial provisions of the loan agreement have been met within the agreed deadlines. To date, with the information provided by the HESAD team, it has been verified that the conditions established in the agreement since the entry into force of the program regarding the fiduciary aspects have largely been met within the agreed times. Specifically, and in accordance with



Annex III of this report, all measures have been monitored since the beginning of the program, and all of them have been completed in a timely manner (except the submission of the audit report for the Grant Investment Fund, originally due on June 2023, that is still pending). As per the FA, some actions are recurring/ongoing that have been carried out each cycle and in established times. In general terms, it can be said that there has been compliance and progress in measures to date.

Procurement		
Procurement	Rating: 4	Previous rating: 4

#### Justification of rating

138. The 2023 PP was approved late (March 31, 2023) and the implementation of the PP is showing significant delays. Project is using IFAD standard documents for activities above \$G 1,000,000 and the process of reception of bids/proposals does not show major shortcomings except the lack of use of Purchase requisitions to start the procurement. Evaluation process is slowed by the need to go through the Ministerial and National Tender boards for contract awards. Procurement under grant agreements lacks evaluation reports. The CMT is updated monthly but is missing most Goods and Consulting activities, MOAs as well as some Grant agreements. Good record retention practices with procurement files kept orderly both physically and electronically.

#### Procurement Review

139. **Procurement Strategy (3) Moderately Unsatisfactory:** The 2023 PP has been approved on March 31, 2023, when it should be before the beginning of the year. The implementation of the PP is showing significant delays due mainly to the non-approval of the revised PP, the non-availability of ToRs and specifications to start the procurement activity and files waiting award at the level of the National Tender Board (NTB). The PP follows the Excel IFAD's template and has included the non-started activities in the OPEN system. All procurement categories as well as grant schemes are correctly listed and time estimates seem adequate. Activities are in line with the AWPB and methods and reviews listed are in line with the approved PAL. Actuals are not updated in the approved PP but in the revised PP not yet approved. There are no contracts above the estimated budget but on the contrary some overestimations are noted (Engines and Boats).
140. **Processes and Procedures from Prequalification/Shortlisting to receipt of bids/proposals (4) Moderately Satisfactory:** HESAD uses the national procurement framework which is consistent with IFAD Project Procurement Guidelines on most aspects. Nonetheless, time given for responses from suppliers is too short for some procurement methods. Project is using IFAD standard documents for all activities above \$G 1M. There are no formal procurement requisitions to start the procurement process. Main procurement method for goods is National Shopping. For activities under \$G 1M, offers are received at the PMU and above offers are received in a tender box. Opening is public and opening minutes are available online. There is no bid register, and no receipt is provided to the bidder. For grants, quotations are rarely received in paper.
141. **Processes and Procedures for Evaluation and Contract Award (4) Moderately Satisfactory:** The number of evaluation committee members follow IFAD rules, including at least 1 member with the technical knowledge. Above \$G 1M, evaluations made by HESAD's Procurement Officer are reviewed by the Ministerial and National Tender Boards and contract awards are made by them. During preliminary evaluation, some frivolous rejections have been detected for missing historical documents lowering unnecessarily competition. All opening minutes and awards above \$G 1M are available on the website of the National Procurement and Tender Administration. The involvement of the NTB puts a risk on various activities that are delayed. For grants: An evaluation report should be done.
142. **Contract Management and Administration and CMT data accuracy and timeliness (4) Moderately Satisfactory:** No contract register for contracts signed before September 2020. The CMT is updated monthly but is missing most Goods and Consulting activities, MOAs as well as some Grant agreements. Contracts are mostly effectively managed but there is a need for improvement on the management of contract end dates especially for Grant agreements. For Grants activities, the PMU has developed an Excel file to do the follow up on procurement activities. No major payment delays detected. Amendments are not managed properly, and it has been detected one consulting contract (Home School University) and various grant agreements still ongoing and with a passed completion date. No advance payment should be done without an advance payment guarantee. More involvement is needed from Procurement and M&E to monitor the contracts.
143. **Record Retention (5) Satisfactory:** Procurement files are kept orderly in drawers; they have the contract code for ease of retrieval. Electronic copies are available and backed up on a local hard drive. Inside the files, the documents are order chronologically. It is advised to insert a register at the beginning of the file listing the documents present in the procurement file.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<p><b>Prequalification to Bidding</b></p> <p>Processes and Procedures from Prequalification to Bidding: to apply IFAD guidelines as follows: a) to issue General Procurement Notice or update on the previous GPN for the outstanding procurement contracts that are still to be procured by the IFAD-funded project. b) to apply the minimum number of days for advertised procurement for competitive bidding as per IFAD guidelines (30 days for NCB and 45 for ICB); b) to express the bid security amount in a fixed amount instead of percentage.</p>	Procurement Officer	10/2022
<p><b>Evaluation and Award</b></p> <p>Evaluation and Award: to apply IFAD guideline as follows: a) to seek IFAD NO on the cancellation of the post review activity no. 5 listed under Goods in the PP; b) to make sure the register of bids received is being used and provided under IFAD project; c) to improve the quality of the evaluation report and to be more specific in describing the evaluation process; c) to issue NOITA as per the relevant procurement method.</p>	Procurement Officer	10/2022
<p><b>Procurement staffing and training needs</b></p> <p>Assessment of the procurement staff training need: a) In addition to the Build Proc training with the ITC ILO, engaging the PO in training on the management of donor-funded projects to develop and improve skills and quality of the delivered activities and documents related to procurement; b) recruitment of a procurement assistant in case the extension request is approved.</p>	Procurement Officer/To coordinate with LAC SPO	10/2022
<p><b>Procurement Planning</b></p> <ul style="list-style-type: none"> <li>- Update the Start dates in the PP;</li> <li>- Submit revised PP for NO;</li> <li>- List Works activity GY/IFAD/HESADP- CP3-W2 as prior review in the new PP to be submitted;</li> <li>- Update missing actuals in the PP;</li> <li>- Use of OPEN for activities not started.</li> </ul>	Procurement staff	10/2023
<p><b>Contract Documentation and Management</b></p> <p>Update the CMT with all missing contracts as well as MOAs.</p>	Procurement staff	12/2023
<p><b>Procurement Planning II</b></p> <p>Proactively monitor the acquisition of inputs needed to start the procurement activities.</p>	Procurement staff and technical teams	
<p><b>Procurement Process and Contract Award</b></p> <p>At preliminary evaluation, in case of missing historical documents, request to the bidder to provide them in a determined time instead of doing a direct elimination.</p>	Procurement staff	
<p><b>Procurement Process and Contract Award II</b></p> <p>IFAD's advertisement periods to be used (Ex: 30 days for NCB).</p>	Procurement staff	
<p><b>Procurement Process and Contract Award III</b></p> <p>Use of NOITA and standstill period.</p>	Procurement staff	
<p><b>Contract Documentation and Management II</b></p> <p>No advance payments should be done without an advance payment guarantee. In the case of Consulting (Carnegie School of Home Economics), link any payment to a report (Inception report instead of payment at signing).</p>	Procurement staff	

## e. Key SIS Indicators

<b>Likelihood of Achieving the Development Objective</b>	<b>Rating: 4.35</b>	<b>Previous rating: 4.39</b>
<b>Assessment of the Overall Implementation Performance</b>	<b>Rating: 4.17</b>	<b>Previous rating: 3.83</b>

## F. Agreed Actions

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
<b>Overview and Project Progress</b>		
<b>Documenting evidence for scaling up</b> Include questions in the outcome survey to systematically document communities' perception of the participatory plan development process.	PMU/M&E officer with field facilitators	12/2023
<b>Implementation of community training plans</b> All CTPs should be in implementation as soon as possible.	PMU	12/2023
<b>Reallocation of funds in the AWPB</b> If needed, an updated AWPB and request for reallocation of funds (weather stations, pasture and other delayed activities) should be submitted for IFAD's No Objection.	PMU	12/2023
<b>Mitigate the risk of ineligible expenditures at completion</b> In the case of the March 2024 completion scenario, the government commits to cover any eventual expenditures paid after the completion date.	PMU	12/2023
<b>Good practice and experience sharing videos</b> Complete at least 4 videos for farmer-to-farmer or group-to-group sharing.	PMU	12/2023
<b>Consolidate existing CPIP and BPs, strengthening project quality and viability.</b> Spend resources for more exchange, technical and advisory support for existing BP groups.	PMU	12/2023
<b>Development Effectiveness</b>		
<b>MoHSSS Protocol</b> Share with field staff, MoHSSS' protocol on addressing the social issues raised by beneficiaries based on the experience with Merundoï (teenage pregnancies, gender-based violence etc.), and support field staff with measures (e.g. via a MoHSSS workshop) to strengthen their capacity.	Sig Officer at PMU	12/2023
<b>GRM Poster</b> Distribute the updated GMM poster and give visibility in accessible spots as well as in the MOA.	Sig Officer at PMU	12/2023
<b>Cookbook</b> Complete the final review of the Indigenous recipe book text, and the final pre-print version and prepare a distribution plan.	GSI Officer at PMU	12/2023
<b>Radio Drama Survey</b> Share the survey dataset, and the analysis report on beneficiary perceptions of the radio serial drama, and the street theatre with IFAD.	M&E & GSI Officer at PMU	12/2023

<b>R8 Nutrition Training</b> Implement nutrition trainings for Region 8 with the FPD.	GSI Officer at PMU	12/2023
<b>SoFA and Nutrition Workshop</b> Organize a workshop for sharing the results of the SOFA study and nutrition surveys.	M&E & GSI Officer at PMU	12/2023
<b>Disseminate SIGE Handbook, GMM, FPIC as well as ESM risk matrix with the field facilitators.</b> Organise an integral workshop for disseminating the SIGE Handbook, how to give close support to the beneficiaries concerning use of the GMM, operationalization of the FPIC as well as the implementation of the Project's ESM risk matrix for the Field Facilitators.	Sig Officer at PMU	01/2024
<b>Adaptation and resilience building measures</b> Continue the follow up on the implementation of adaptation and resilience building measures (see matrix developed during the March 2022 mission with adaptation and resilience building actions by plan type)	PMU/Environment Officer	
<b>Sustainability and Scaling up</b>		
<b>FPIC Training</b> Carry out trainings on FPIC for PMU staff, consultants and partners in the project implementation unit and for community-designated leaders and project focal points designated by communities.	PMU in collaboration with an FPIC specialist (IFAD support as needed)	10/2020
<b>Access to information</b> Ensure regular access to updated information on community projects and their status for MoA regional agency heads and the NTC. Secure permission from the Office of the Minister-MoA to share information on project status with relevant non-governmental partners including District Councils, WWF & CI.	Project Coordinator	12/2023
<b>Update exit strategy</b> Update the Exit & Sustainability Strategy to reflect the project extension, the inclusion of pilot interventions in Regions 7 & 8, and changes in the context.	Project Coordinator	12/2023
<b>Follow up on NRM risks &amp; opportunities</b> Follow up with NAREI, GLDA and field facilitators on the implementation of these actions in the plans and on training the communities and groups as needed.	PMU/Environment Officer	
<b>Project Management</b>		
<b>Updated 2023 AWPB &amp; PP</b> Updated 2023 AWPB and Procurement Plan. Submit to IFAD for No-Objection and updated 2023 AWPB and PP, reflection the recommendations from the mission.	PMU	10/2023
<b>EFA</b> Update and complete the EFA for the investment made since 2016 and check the financial viability. Also make an updated result for the additional financing.	EFA consultant	11/2023
<b>COSTAB Result</b> Update the COSTAB result.	EFA consultant	11/2023

<b>HESAD Process infographic</b> Develop an infographic that explains the process adopted by HESAD.	M&E/KM Officer	12/2023
<b>2024 AWPB</b> Prepare and submit AWPB for the 2024 FY, inclusive of closure period.	PMU	12/2023
<b>COI Survey</b> Include the COI survey in the revised AWPB and PP and submit for IFAD's No Objection.	PMU	12/2023
<b>COI Survey Procurement</b> Launch procurement for Core Outcome Indicators (COI) completion and baseline survey, including resilience scorecards.	FAD (TOR review) and M&E/KM Officer	12/2023
<b>R7 &amp; R8 Baseline</b> Report baseline data on PCIPs from regions 7 and 8 (Data Analysis is ongoing).	M&E/KM Officer	12/2023
<b>Region-1 Knowledge sharing</b> Host a workshop to present the findings of the Region-1 SoFA and baseline.	M&E/KM officer	12/2023
<b>Videos</b> Produce short videos on crop/livestock production, climate smart agriculture or other technical issues to provide technical support to the project's investment plans.	PMU Coordinator	01/2024
<b>Booklet</b> Develop a booklet on linking farmers with school feeding programmes.	M&E/KM Officer/Project Coordinator	01/2024
<b>MoAs with supporting partners</b> Finalize MoAs with the Board of Industrial Training, GLDA, & NAREI for the provision of training to beneficiary groups.	Project Coordinator	
<b>Dissemination</b> Operationalize the dissemination plan of HESAD documented success stories and knowledge products.	M&E/ KM Officer/Field facilitators	
<b>M&amp;E Dashboard</b> Upload backlog of data to the M&E dashboard and keep it updated, making use of data input services by ASDU.	M&E/KM Office	
<b>Financial Management &amp; Execution</b>		
<b>Prequalification to Bidding</b> Processes and Procedures from Prequalification to Bidding: to apply IFAD guidelines as follows: a) to issue General Procurement Notice or update on the previous GPN for the outstanding procurement contracts that are still to be procured by the IFAD-funded project. b) to apply the minimum number of days for advertised procurement for competitive bidding as per IFAD guidelines (30 days for NCB and 45 for ICB); b) to express the bid security amount in a fixed amount instead of percentage.	Procurement Officer	10/2022

<p><b>Evaluation and Award</b></p> <p>Evaluation and Award: to apply IFAD guideline as follows: a) to seek IFAD NO on the cancellation of the post review activity no. 5 listed under Goods in the PP; b) to make sure the register of bids received is being used and provided under IFAD project; c) to improve the quality of the evaluation report and to be more specific in describing the evaluation process; c) to issue NOITA as per the relevant procurement method.</p>	Procurement Officer	10/2022
<p><b>Procurement staffing and training needs</b></p> <p>Assessment of the procurement staff training need: a) In addition to the Build Proc training with the ITC ILO, engaging the PO in training on the management of donor-funded projects to develop and improve skills and quality of the delivered activities and documents related to procurement; b) recruitment of a procurement assistant in case the extension request is approved.</p>	Procurement Officer/To coordinate with LAC SPO	10/2022
<p><b>Reconcile IFAD disbursements and advance recovery</b></p> <p>Review Historical Transaction Report and reconcile IFAD disbursements and advance recovery. Submit WA#5B as per instructions given by IFAD FO.</p> <p>-----</p> <p>Feb 2023. This issue was discussed with the Finance Team. The initial proposal to resubmit WA#5 (to be called WA#5A) is considered a duplication of the expenditures included in the transaction. FO is consulting with FCD other plausible solutions.</p>	Project Finance Manager	03/2023
<p><b>Procurement Planning</b></p> <ul style="list-style-type: none"> <li>- Update the Start dates in the PP;</li> <li>- Submit revised PP for NO;</li> <li>- List Works activity GY/IFAD/HESADP- CP3-W2 as prior review in the new PP to be submitted;</li> <li>- Update missing actuals in the PP;</li> <li>- Use of OPEN for activities not started.</li> </ul>	Procurement staff	10/2023
<p><b>Beneficiary Contribution</b></p> <p>Ensure that cash contributions from beneficiaries are duly reported before the closure of the business plans.</p>	ASDU Finance Team	10/2023
<p><b>Amend end dates</b></p> <p>Identify all BPs and PCIPs that have not yet submitted final justifications (0 payment) and amend end dates.</p>	Project Coordinator	11/2023
<p><b>Labelling</b></p> <p>HESADP shall ensure that all facilities and civil works used in connection with the Project are correctly labelled with the corresponding IFAD logo for audit purposes.</p>	Project Coordinator	11/2023
<p><b>Contract Documentation and Management</b></p> <p>Update the CMT with all missing contracts as well as MOAs.</p>	Procurement staff	12/2023
<p><b>Staff capacity plan</b></p> <p>Enhance Staff Capacity: Propose a plan to IFAD for staff capacity enhancement to boost financial oversight. This involves reviewing FM personnel's TORs to delegate operational tasks to less-qualified staff while expanding the team (consider incorporating an intern for data entry tasks). This aims to establish internal control measures and ensure transparent financial reporting, aligning with the project's objectives.</p>	ASDU Finance Team	02/2024

<p><b>FM capacity enhancement</b></p> <p>Identify capacity training programs online or in person for the FM personnel in financial reporting and internal control.</p>	ASDU Finance Team	02/2024
<p><b>In-Kind Guidelines</b></p> <p>In line with IFAD's in-kind contribution guidelines, the ASDU team should review and adapt the guideline to the Grant Investment Fund mechanism's operations. Field facilitators should ensure the consistent implementation of the revised methodology, and beneficiaries' contributions should be reported with each payment, rather than solely at completion. This change promotes proactive and accurate tracking and reporting of in-kind contributions.</p>	ASDU Finance Team	04/2024
<p><b>PIM &amp; GIF manuals</b></p> <p>PIM and Grant Investment Fund manual are to be updated to enhance internal control mechanisms and controls.</p>	ASDU Finance Team	04/2024
<p><b>Enhance QuickBooks</b></p> <p>ASDU should partner with a specialized QuickBooks consulting firm to enhance the system. The primary focus should be on transitioning to a cloud-based financial record backup solution. Additionally, new financial modules, including multicurrency, fixed asset registers, and ideally IFRS reporting, should be integrated and developed.</p>	ASDU Finance Team	04/2024
<p><b>External Audit of Investment Fund</b></p> <p>Monitor the progress of the audit of the Investment Fund and facilitate communication between the private audit firm and the Office of the Auditor General to ensure legal compliance and the incorporation of the audit report into the overall audit of the HESAD.</p> <p>(Timeline: Upon start of audit and until completion audit of fund and project)</p> <p>Procurement of firm is ongoing.</p>	Programme Manager	
<p><b>Procurement Planning II</b></p> <p>Proactively monitor the acquisition of inputs needed to start the procurement activities.</p>	Procurement staff and technical teams	
<p><b>Procurement Process and Contract Award</b></p> <p>At preliminary evaluation, in case of missing historical documents, request to the bidder to provide them in a determined time instead of doing a direct elimination.</p>	Procurement staff	
<p><b>Procurement Process and Contract Award II</b></p> <p>IFAD's advertisement periods to be used (Ex: 30 days for NCB).</p>	Procurement staff	
<p><b>Procurement Process and Contract Award III</b></p> <p>Use of NOITA and standstill period.</p>	Procurement staff	
<p><b>Contract Documentation and Management II</b></p> <p>No advance payments should be done without an advance payment guarantee. In the case of Consulting (Carnegie School of Home Economics), link any payment to a report (Inception report instead of payment at signing).</p>	Procurement staff	

## **Guyana**

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### **Hinterland Environmentally Sustainable Agricultural Development Project Supervision Report**

#### **: Logical Framework**

Mission Dates: 09/10/2023 to 20/10/2023

Document Date: 30/01/2024

Project No. 2000001472

Report No. 6747-GY

Latin America and the Caribbean  
Programme Management Department





Hinterland Environmentally Sustainable Agricultural Development Project

Logical Framework

Results Hierarchy	Indicators						Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency		Responsibility
Outreach	1.a Corresponding number of households reached						Baseline studies Impact study Verification in the field	Mid Term Before Closing	PMU, MOA		
	Women-headed households			960		672					70
	Non-women-headed households			7 040		5 581					79.276
	Households	0		8 000		6 253					78.163
	1 Persons receiving services promoted or supported by the project						Baseline studies Impact study Verification in the field	Mid Term Before Closing	PMU MOA		
	Males			19 541		14 993					76.7
	Females			18 859		14 252					75.6
	Young			15 360		11 636					75.8
	Indigenous people			36 480		28 375					77.8
	Total number of persons receiving services	0		38 400		29 245					76.2
	1.b Estimated corresponding total number of households members										
	Household members			40 000		30 260					75.6
	Project Goal										

Results Hierarchy	Indicators						Means of Verification			Assumptions		
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency		Responsibility	
<b>Development Objective</b> Improved livelihood resilience through income generation, access to assets, improved nutrition, and adaptation to climate variability	Targeted households have increased their resilience (80%)							Baseline studies Impact study Verification in the field	Mid Term Before Closing	PMU MOA	Economic risks: Productive specialization (vs traditional diversification strategy); vulnerability to market shocks; increased seasonality effects on income and labour cycles Competition for labour from other sectors	
	Households			6 400								
	Female-headed households			960								
<b>Outcome</b> 1. C1 - Communities and producer groups have identified investment opportunities manage economic and climate change risk	Households in targeted communities participate in developing or approving PCIPs/BPs						Reports M&E Supervision reports Progress reports	Semi-annually Annually Mid Term Before Closing	PMU MOA			
	Households	0		4 400								
	Female-headed households			660								
	People in targeted communities participating in enterprises (group or individual) with established business plans.						Reports M&E Supervision reports Progress reports	Semi-annually Annually Mid Term Before Closing	PMU MOA			
	People	0		5 000								
	Females			50								
	Youth			30								
<b>Outcome</b> 2.1 C2 - Increased investments in business plans that increase agriculture and related income-generating opportunities and increase market access	Households that invested in business plans (80%) have increased their income from agriculture and related activities						Baseline studies Impact study Progress reports Verification in the field	Annually Mid Term Before Closing	PMU MOA	Climate change risks: Productive transformation without access to adequate technology and information for water and soil management Shift to less diversified		
	Households			1 000								
	Female-headed households			15								
	1.2.4 Households reporting an increase in production											

Results Hierarchy	Indicators						Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency		Responsibility
	Households			25							training systems Social risks: Weakening of social capital and organization capacity at
	Households			2 000							community level Exclusion of vulnerable groups including women and youth
	Number of new part-time jobs created							MIS	Annual	PMU	Risks for nutrition and food security: Increased complexity of nutritional problems (e.g., transition to unhealthy diets)
	Males	0		720							Decrease of food security
	Females	0		720							Loss of traditional knowledge, food culture and agrobiodiversity
	Indigenous people	0		1 440							Institutional risks: Limited inter-institutional coordination for actions at the regional level
	Young	0		432							Incipient managerial and organizational capacity to implement investments at the local level (communities and producers' organizations)

Results Hierarchy	Indicators						Means of Verification			Assumptions				
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency		Responsibility			
<b>Outcome</b> 2.2 C2 - Increased access to assets that build community resilience and create an enabling productive environment (water, energy, ICT, others)	Households in targeted communities with access to public goods						Baseline studies Impact study Progress reports Verification in the field	Annually Mid Term Before Closing	PMU MOA					
	Households	0		6 000										
	People in producer groups and agri-entrepreneurs in targeted communities with access to production infrastructure													
	People			4 000										
	People in producer groups and agri-entrepreneurs in targeted communities with access to technical assistance and agri-extension services													
	People			5 000										
	People in producer groups and agri-entrepreneurs in targeted communities with access to business support services													
	People			5 200										
Number of households in target communities that adopt technologies for integrated soil fertility management, integrated pest management, and technology for increasing efficient water use that improved adaptability to climate change														
Household			175											
<b>Outcome</b> 2.3 C2 - Improved diet of adequate quality and appropriate quantity, referring to context-appropriate food-based dietary guidelines and drawing insofar as possible on own-production and local markets in a context of effective behaviour change and nutrition education activities	1.2.8 Women reporting minimum dietary diversity (MDDW)													
	Women (%)			60										
	Women (number)			11 315										
	Households (%)			45										
	Households (number)			3 600										
	Household members			28 800										
	Indigenous			8 487										

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency	Responsibility	
	Women-headed households			540							
<b>Outcome</b> 3. C3 - Efficient and adequate management and implementation of planned activities and effective coordination and planning between institutions at the national, regional and local level	Evidence based knowledge products developed (written, video or oral/radio)							Knowledge products MOUs Supervision reports Progress reports	Annually Mid Term Before Closing	PMU MOA	
	Products	0		5							
	MOUs signed with public institutions to provide services to the project							Knowledge products MOUs Supervision reports Progress reports	Annually Mid Term Before Closing	PMU MOA	
	MOUs			7							
	AWPB is implemented each year.							AWPB Supervision reports Progress reports	Annually Mid Term Before Closing	PMU MOA	
	AWPB Implementation	90		90							
<b>Output</b> 1.1 C1 - Public/Collective Investment Plans (P/CIP)	P/CIPs developed							P/CIPs M&E reports Progress reports	Semi-annually Annually	PMU	
	P/CIPs	0	0	134							
	Number of people benefitting from casual labour opportunities							MIS	Annual	PMU	
	Males	0		1 200							
	Females	0		400							
	Young	0		1 000							

Results Hierarchy	Indicators						Means of Verification			Assumptions		
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency		Responsibility	
<b>Output</b> 1.2 C1 - Business Plans (BP) for producer groups	BPs developed							Business Plans M&E reports Progress reports	Semi-annually Annually	PMU		
	BPs	0	0	200								
<b>Output</b> 1.3 C1 - Training Plans (TP - Communities, Producer Groups, Groups of Agripreneurs)	TPs developed							M&E reports Business Plans Progress reports	Semi-annually Annually	PMU		
	CTPs	0	0	50								
<b>Output</b> 1.4 C1 - List of cross community investments, studies and TA for the implementation of P/CIPs, BPs and CTPs	People trained in topics not related to business plans							M&E reports Business Plans Progress reports	Semi-annually Annually	PMU		
	people trained in gender	0		2 688								
	people trained in ICT	0		200								
	people trained in other topic	0		2 688								
<b>Output</b> 1.5 C1 - Market, weather and climate bulletins	Bulletins developed										In 5 areas (3 District Councils in R9 and 2 sub-regions in R1) at least three quarterly bulletins starting in 2021	
	Bulletin			30								
<b>Output</b> 2.1.1 C2 - Business plans for the production and processing of cash crops and related value-adding activities approved	BPs supported and implemented							Baseline studies Impact study Progress reports Verification in the field	Annually Mid Term Before Closing	PMU MOA		
	BPs	0		200								

Results Hierarchy	Indicators						Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency		Responsibility
<b>Output</b> 2.1.2 C2 - Increase in volume sold through new or existing markets channels and coaching, technical assistance and business incubation activities provided for the implementation of business plans	BPs that have received coaching, technical assistance and business incubation activities							Baseline studies Impact study Progress reports Verification in the field	Annually Mid Term Before Closing	PMU MOA	
	BPs	0	0	200							
<b>Output</b> 2.1.3 C2 - Sub-regional roundtables established to coordinate actions on key cash crops and commodities in Region 9 and studies for specific value chains and related markets opportunities	Studies carried out							Baseline studies Impact study Progress reports Verification in the field	Annually Mid Term Before Closing	PMU MOA	
	Studies			4							
<b>Output</b> 2.2.1 C2 - Investments in public goods for improved water management, renewable energy and in public facilities and infrastructure that increase access to internet in target communities	P/CIPs supported and implemented							Baseline studies Impact study Progress reports Verification in the field	Annually Mid Term Before Closing	PMU MOA	
	P/CIPs	0		134							
<b>Output</b> 2.2.2 C2 - Investments for integrated soil fertility management, integrated pest management, and in technology for increasing efficient water use for productive activities in business plans	BPs that have integrated and received technical assistance for climate smart interventions							Baseline studies Impact study Progress reports Verification in the field	Annually Mid Term Before Closing	PMU MOA	
	BPs	0		40							
<b>Output</b> 2.2.3 C2 Investments in the quality and availability of support services	Public sector service providers (staff) with improved capacity to provide relevant services										
	People			30							



Results Hierarchy	Indicators						Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency		Responsibility
	Civil society service providers (staff) with improved capacity to provide relevant services										
	People			30							
	Audio-video and remote training courses and extension material provided by implementing and supporting partners										
	Videos			10							
<b>Output</b> 2.3.1 C2 -Increased knowledge on nutrition and balancing of diet through awareness raising and training	Target group aware of balanced diets (60%)						Baseline studies Impact study Progress reports Verification in the field	Annually Mid Term Before Closing	PMU MOA		
	Households			4 800							
	Female-headed households			15							
	1.1.8 Households provided with targeted support to improve their nutrition										
	Households			2 000		1 453					72.7
	Household members benefitted			10 000		7 375					73.8
	Indigenous people			7 500		7 137					95.2
	Women-headed households			300		333	111				
<b>Output</b> 2.4 Increased knowledge on production and income generation through business support services and training	1.1.4 Persons trained in production practices and/or technologies						MIS	Annual	PMU		
	Total number of persons trained by the project	0		1 500		229					15.267
	Men trained in crop	0		304		44					14.474
	Women trained in crop	0		304		44					14.474

Results Hierarchy	Indicators						Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency		Responsibility
	Young people trained in crop	0		182		32	17.582				
	Indigenous people trained in crop	0		608		88	14.474				
	Men trained in livestock	0		456		0	0				
	Women trained in livestock	0		456		0	0				
	Young people trained in livestock	0		274		0	0				
	Indigenous people trained in livestock	0		912		0	0				
	Men trained in fishery	0		40		92	230				
	Women trained in fishery	0		10		49	490				
	Young people trained in fishery	0		15		84	560				
	Indigenous people trained in fishery	0		50		140	280				
	Total persons trained in crop	0		608		88	14.474				
	Total persons trained in livestock	0		912		0	0				
	Total persons trained in fishery	0		50		141	282				

Results Hierarchy	Indicators						Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency		Responsibility
	2.1.2 Persons trained in income-generating activities or business management						MIS	Annual	PMU		
	Males	0		1 500		87					5.8
	Females	0		1 500		232					15.5
	Indigenous people	0		3 000		271					9
	Young	0		1 200		140					11.7
	Persons trained in IGAs or BM (total)	0		3 000		319					10.6
<b>Output</b> 3.1 C3 - Participatory planning and M&E	Communities that monitor and evaluate their P/CIPs						Progress reports Regional Workshop reports	Semi-annually Annual	PMU		
	Communities	0		80							
	Producer groups that monitor and evaluate their BPs						Progress reports Regional Workshop reports	Semi-annually Annual	PMU		
	Groups			80							
	Regional Evaluation and Planning Workshops organized in each region annually						Progress reports Regional Workshop reports	Semi-annually Annual	PMU		
	Workshops			6							

## Guyana

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### Hinterland Environmentally Sustainable Agricultural Development Project

### Supervision Report

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

Mission Dates: 09/10/2023 to 20/10/2023

Document Date: 30/01/2024

Project No. 2000001472

Report No. 6747-GY

Latin America and the Caribbean  
Programme Management Department



Financial: Actual financial performance by financier; by component

Table 2A: Financial performance by financier (actual expenditure) as 30 September 2023

Financier	Appraisal (USD '000)	Expenditure To Date (USD '000)	Percent disbursed
IFAD Loan	7 960.00	5 133.04	64%
IFAD Grant	500.00	275.96	55%
Government	2 430.00	804.36	33%
Beneficiaries	253.00	53.15	21%
<b>Total</b>	<b>11 143.00</b>	<b>6 266.51</b>	<b>56%</b>

Table 2Bi: Financial performance by financier by component (USD - as at 30 September 2023)

Component	Component description	IFAD loan			IFAD Grant			Government			Beneficiaries			Total		
		Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
1	Strengthening of Community's and Producer Groups Invest Planning	1 539 000.00	357 251.06	23%	217 000.00	206 226.83	95%	217 000.00	40 022.66	18%	0	0	0%	1 973 000.00	603 500.55	31%
2	Implementation of Investment Plans	5 108 000.00	3 592 420.22	70%	0	0	0	481 000.00	4 625.30	1%	253 000.00	53 154.40	0%	5 842 000.00	3 650 199.92	62%
3	Project and Knowledge Management and Coordination	1 313 000.00	1 183 366.84	90%	283 000	69 739.61	25%	1 732 000.00	759 710.07	44%	0	0	0%	3 328 000.00	2 012 816.52	60%
	<b>Total</b>	<b>7 960 000.00</b>	<b>5 133 038.12</b>	<b>64%</b>	<b>500 000.00</b>	<b>275 966.44</b>	<b>55%</b>	<b>2 430 000.00</b>	<b>804 358.03</b>	<b>33%</b>	<b>253 000.00</b>	<b>53 154.40</b>	<b>21%</b>	<b>11 143 000.00</b>	<b>6 266 516.99</b>	<b>56%</b>

Table 2Bii: Financial performance by financier by category(USD - as at 30 September 2023)

Component	Component description	IFAD loan			IFAD Grant			Government			Beneficiaries			Total		
		Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
I- 200021	Vehicles and Equipment	905 431.00	223 767.87	25%				36 000.00	9 661.53	27%	0	0	0%	941 431.00	233 429.40	25%
II - 200019	Training	1 228 263.00	328 026.61	27%				117 000.00	1 700.98	1%	0	0	0%	1 345 263.00	329 727.59	25%
III -200008	Consultancy Services	434 214.00	99 804.03	23%	500 000.00	275 966.44	55%	981 000.00	3 720.37	0%	0	0	0%	1 915 214.00	379 490.84	20%
IV -200012	Grants ( Sub-Projects)	4 543 096.00	3 498 130.09	77%				665 000.00	1 567.14	0%	253 000.00	53 154.40	21%	5 461 096.00	3 552 851.63	65%
V - 200018	Salaries and Operating Expenses	848 996.00	983 309.52	116%				631 000.00	787 708.01	125%	0	0	0%	1 479 996.00	1 771 017.53	120%
	<b>Total</b>	<b>7 960 000.00</b>	<b>5 133 038.12</b>	<b>64%</b>	<b>500 000.00</b>	<b>275 966.44</b>	<b>55%</b>	<b>2 430 000.00</b>	<b>804 358.03</b>	<b>33%</b>	<b>253 000.00</b>	<b>53 154.40</b>	<b>21%</b>	<b>11 143 000.00</b>	<b>6 266 516.99</b>	<b>56%</b>

Table 2Ci: IFAD Loan Disbursements(USD as at 30 September 2023)

Category	Category description	Original Allocation	Revised Allocation	Disbursement as at WA 14	Amount claimed but not credited by IFAD WA	Amount Recovered by IFAD	Balance	Per cent disbursed	Funds pending Justification (01.04.2023-30.09.2023)
I- 200021	Vehicles and Equipment	170 000.00	905 431.00	141 584.21	0	6 799.59	757 047.20		29 786.87
II - 200019	Training	550 000.00	1 228 265.00	106 708.55	0	16 820.40	1 104 736.05		52 244.63
III -200008	Consultancy Services	2 620 000.00	434 214.00	71 649.48	0	11 946.15	350 618.37		8 886.81
IV -200012	Grants ( Sub-Projects)	2 880 000.00	4 543 096.00	1 227 717.73	0	127 168.01	3 188 210.26		1 413 021.35
V - 200018	Salaries and Operating Expenses	940 000.00	848 996.00	540 724.45	0	91 142.55	217 129.00		85 358.94
270001	Authorised Allocation			4 691 425.39	0		(4 691 425.39)		
	Unallocated	800 000.00					0		
	<b>Total</b>	<b>7 960 000.00</b>	<b>7 960 002.00</b>	<b>6 779 809.81</b>	<b>0</b>	<b>253 876.70</b>	<b>926 315.49</b>	<b>85%</b>	<b>1 589 298.60</b>

2 088 384.42

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Table 2Cii: IFAD Grant Disbursements(USD as at 30 September 2023)

Category	Category description	Original Allocation	Revised Allocation	Disbursement as at WA 11	Amount claimed but not credited by IFAD WA	Amount Recovered by IFAD	Balance	Per cent disbursed	Funds pending Justification (01.04.2023-30.09.2023)
III - 200008	Consultancy Services	450 000.00	500 000	184 899.70	-	91 066.75	224 033.55		0
270002	Authorised Allocation			300 000.00		0	(300 000.00)		
	Unallocated	50 000.00					0		
	<b>Total</b>	<b>500 000.00</b>	<b>500 000.00</b>	<b>484 899.70</b>	<b>-</b>	<b>91 066.75</b>	<b>(75 966.45)</b>	<b>97%</b>	<b>0</b>

Table 2Ciii: GOG Contribution (USD as at 30 September 2023)

Category description	Original Allocation	Disbursed todate	Expenditure	Balance
GOG Contribution	2 430.00	1 254.67	804.34	450.33

## **Guyana**

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### **Hinterland Environmentally Sustainable Agricultural Development Project Supervision Report**

#### **Appendix 2: Physical progress measured against AWP&B**

Mission Dates: 09/10/2023 to 20/10/2023

Document Date: 30/01/2024

Project No. 2000001472

Report No. 6747-GY

Latin America and the Caribbean  
Programme Management Department





## Appendix 2: Physical progress measured against AWP&B

Results Hierarchy	Indicators				Project Yr 7 (2023)				
	Name	Baseline	Mid-Term	End Target	Year Targets	Year Results	Cumulative	% Year Results	% End Results
Outreach	<b>1.a Corresponding number of households reached</b>								
	Women-headed households -			960	442	154	672	35%	70%
	Non-women-headed households			7040	3298	1839	5581	56%	79%
	Households			8000	<b>3740</b>	<b>1993</b>	<b>6253</b>	<b>53%</b>	78%
	<b>1 Persons receiving services promoted or supported by the project</b>								
	Males			19541	8937	4386	14993	49%	77%
	Females			18859	8683	4076	14252	47%	76%
	Young people			15360	7014	3290	11636	47%	76%
	Indigenous people			36480	16520	8415	28375	51%	78%
	Total number of persons receiving services. Number of people			38400	<b>17617</b>	<b>8462</b>	<b>29245</b>	<b>48%</b>	76%

	<b>1.b Estimated corresponding total number of households members</b>								
	Household members - Number of people			40000	18198	8458	30260	46%	76%
<b>Project Goal</b>									
<b>Development Objective</b> Improved livelihood resilience through income generation, access to assets, improved nutrition, and adaptation to climate variability	<b>Targeted households have increased their resilience (80%)</b>								
	Households - Number			6400	0	0	0		
	Female-headed households - Percentage (%)			960	0	0	0		
<b>Development Objective</b>									
<b>Outcome</b> 1. C1 - Communities and producer groups have identified investment opportunities manage economic and climate change risk	<b>Households in targeted communities participate in developing or approving PCIPs/BPs</b>								
	Households - Number	0		4400	3749	5602	6253	149%	142%
	Female-headed households			660	550	562	672	102%	102%
	<b>People in targeted communities participating in enterprises (group or individual) with established business plans</b>								
	People - Number	0		5000	3180	582	2402	18%	48%
	Females - Percentage (%)			50%	50	62	62		
	Youth - Percentage (%)			30%	30	53	53		

<b>Outcome</b> 2.1 C2 - Increased investments in business plans that increase agriculture and related income-generating opportunities and increase market access	<b>Households that invested in business plans (80%) have increased their income from agriculture and related activities</b>								
	Households - Number			1000	1073	558	1485	52%	149%
	Female-headed households - Percentage (%)			15%	15%	11%	11%		
	<b>1.2.4 Households reporting an increase in production</b>								
	Households - Percentage (%)			25%	25%	28%	24%	112%	
	Households - Number			2000	1073	558	1485	52%	74%
	<b>Number of new part-time jobs created</b>								
	Males - Number	0		720	697	31	54	4%	8%
	Females - Number	0		720	615	60	165	10%	23%
	Indigenous people - Number	0		1440	1323	86	203	7%	14%
Young people- Number	0		432	370	44	106	12%	25%	
<b>Outcome</b> 2.2 C2 - Increased access to assets that build community resilience and create an enabling productive	<b>Households in targeted communities with access to public goods</b>								
	Households - Number	0		6000	1740	1993	6253	115%	104%
	<b>People in producer groups and agri-entrepreneurs in targeted communities with access to production infrastructure (supported by the project)</b>								

environment (water, energy, ICT, others)	People - Number		4000	2154	407	2253	19%	56%	
	<b>People in producer groups and agri-entrepreneurs in targeted communities with access to technical assistance and agri-extension services</b>								
	People - Number		5000	4924	448	524	9%	10%	
	<b>People in producer groups and agri-entrepreneurs in targeted communities with access to business support services</b>								
	People - Number		5200	5132	479	547	9%	11%	
	<b>Number of households in target communities that adopt technologies for integrated soil fertility management, integrated pest management, and technology for increasing efficient water use that improved adaptability to climate change</b>								
	Household - Number		175	50	0	191			
<b>Outcome</b> 2.3 C2 - Improved diet of adequate quality and appropriate quantity, referring to context-appropriate food-based dietary guidelines and drawing insofar as possible on own-production and local markets in a context of effective behaviour change and nutrition education activities	<b>1.2.8 Women reporting minimum dietary diversity (MDDW)</b>								
	Women - Percentage (%)		60%	0	0	0			
	Women (number) - Females		11315	0	0	0			
	Households - Percentage (%)		45%	0	0	0			
	Households (number)		3600	0	0	0			
	Household members - Number of people		28800	0	0	0			
	Indigenous people		8487	0	0	0			

	Women-headed households - Households			540	0	0	0		
<b>Outcome</b> 3. C3 - Efficient and adequate management and implementation of planned activities and effective coordination and planning between institutions at the national, regional and local level	<b>Evidence based knowledge products developed (written, video or oral/radio)</b>								
	Products - Number	0		5	4	0	0		
	<b>MOUs signed with public institutions to provide services to the project</b>								
	MOUs - Number			7	4	0	3		
	<b>AWPB is implemented each year</b>								
AWPB Implementation - Percentage (%)	90%		90%	90%	54%				
<b>Output</b> 1.1 C1 - Public/Collective Investment Plans (P/CIP)	<b>P/CIPs developed</b>								
	P/CIPs - Number	0	0	134	61	55	128	90%	96%
	<b>Number of people benefitting from casual labour opportunities</b>								
	Males - Number	0		1200	539	289	950	54%	79%
	Females - Number	0		400	276	22	146	8%	37%
Young - Number	0		1000	654	135	481	21%	48%	
<b>Output</b> 1.2 C1 - Business Plans (BP) for producer groups	<b>BPs developed</b>								
	BPs - Number	0	0	200	92	61	169	66%	85%

<b>Output</b> 1.3 C1 - Training Plans (TP - Communities, Producer Groups, Groups of Agri- preneurs)	<b>TPs developed</b>								
	CTPs - Number	0	0	50	26	40	64	154%	128%
<b>Output</b> 1.4 C1 - List of cross community investments, studies and TA for the implementation of P/CIPs, BPs and CTPs	<b>People trained in topics not related to business plans</b>								
	People trained in gender - Number	0		2688	2482	368	791	15%	29%
	People trained in ICT - Number	0		200	200	16	16	8%	8%
	People trained in other topic - Number	0		2688	2138	1228	1878	57%	70%
<b>Output</b> 1.5 C1 - Market, weather and climate bulletins	<b>Bulletins developed</b>								
	Bulletin - Number			30	20	4	7		
<b>Output</b> 2.1.1 C2 - Business plans for the production and processing of cash crops and related value-adding activities approved	<b>BPs supported and implemented</b>								
	BPs - Number	0		200	94	63	169	67%	85%
<b>Output</b> 2.1.2 C2 - Increase in volume sold through new or existing	<b>BPs that have received coaching, technical assistance and business incubation activities</b>								
	BPs - Number	0	0	200	200	50	50	25%	25%

markets channels and coaching, technical assistance and business incubation activities provided for the implementation of business plans									
<b>Output</b> 2.1.3 C2 - Sub-regional roundtables established to coordinate actions on key cash crops and commodities in Region 9 and studies for specific value chains and related markets opportunities	<b>Studies carried out</b>								
	Studies - Number	0		4	2	0	2		
<b>Output</b> 2.2.1 C2 - Investments in public goods for improved water management, renewable energy and in public facilities and infrastructure that increase access to internet in target communities	<b>P/CIPs supported and implemented</b>								
	P/CIPs - Number	0		134	62	56	128	90%	96%
<b>Output</b> 2.2.2 C2 - Investments for integrated soil fertility management, integrated pest	<b>BPs that have integrated and received technical assistance for climate smart interventions</b>								
	BPs - Number	0		40	35	0	5		



management, and in technology for increasing efficient water use for productive activities in business plans									
<b>Output</b> 2.2.3 C2 Investments in the quality and availability of support services	<b>Public sector service providers (staff) with improved capacity to provide relevant services</b>								
	People - Number			30	18	10	22	56%	73%
	<b>Civil society service providers (staff) with improved capacity to provide relevant services</b>								
	People - Number	0		30	7	2	25	29%	83%
	<b>Audio-video and remote training courses and extension material provided by implementing and supporting partners</b>								
	Videos - Number	0		10	10	0	0		
<b>Output</b> 2.3.1 C2 -Increased knowledge on nutrition and balancing of diet through awareness raising and training	<b>Target group aware of balanced diets (60%)</b>								
	Households - Number			4800	4800	0	0		
	Female-headed households - Percentage (%)			15%	15%	0	0		
	<b>1.1.8 Households provided with targeted support to improve their nutrition</b>								
	Households - Households	0		2000	1564	1017	1453	65%	73%
	Household members	0		10000	8010	5385	7375	67%	74%

	benefitted - Number of people								
	Indigenous people - Indigenous people	0		7500	7118	6755	7137	95%	95%
	Women-headed households - Households	0		300	230	263	333	114%	111%
<b>Output</b>	<b>1.1.4 Persons trained in production practices and/or technologies</b>								
2.4 Increased knowledge on production and income generation through business support services and training	Total number of persons trained by the project - Number of people	0		1500	1298	27	229	2%	15%
	Men trained in crop - Males	0		304	275	15	44		
	Women trained in crop - Females	0		304	272	12	44		
	Young people trained in crop - young people	0		182	165	15	32		
	Indigenous people trained in crop - Indigenous people	0		608	547	27	88		
	Men trained in livestock - Males	0		456	456	0	0		
	Women trained in livestock - Females	0		456	456	0	0		

Young people trained in livestock - Young people	0		274	274	0	0		
Indigenous people trained in livestock - Indigenous people	0		912	912	0	0		
Total persons trained in crop - Number of people	0		608	547	0	61		
Total persons trained in livestock - Number of people	0		912	912	0	0		
Men trained in fisheries	0		40	0	0	92		
Women trained in fisheries	0		10	0	0	49		
Young people trained in fisheries	0		15	0	0	84		
Indigenous people trained in fisheries	0		50	0	0	140		
Total persons trained in fisheries - Number of people			50	0	0	141		

<b>2.1.2 Persons trained in income-generating activities or business management</b>									
Males - Males	0		1500	1500	87	87	6%	6%	
Females - Females	0		1500	1500	232	232	15%	15%	
Indigenous people - Indigenous people	0		3000	3000	271	271	9%	9%	
Young - Young people	0		1200	1200	140	140	12%	12%	
Persons trained in IGAs or BM (total) - Number of people	0		3000	3000	319	319	11%	11%	
<b>Output</b> 3.1 C3 - Participatory planning and M&E	<b>Communities that monitor and evaluate their P/CIPs</b>								
	Communities - Percentage (%)	0		80%	80%	73%	73%	91%	91%
	<b>Producer groups that monitor and evaluate their BPs</b>								
	Groups - Percentage (%)	0		80%	80%	61%	61%	76%	76%
	<b>Regional Evaluation and Planning Workshops organized in each region annually</b>								
	Workshops - Number	0		6	2	1	2		



## **Guyana**

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### **Hinterland Environmentally Sustainable Agricultural Development Project Supervision Report**

#### **Appendix 3: Compliance with legal covenants: status of implementation**

Mission Dates: 09/10/2023 to 20/10/2023

Document Date: 30/01/2024

Project No. 2000001472

Report No. 6747-GY

Latin America and the Caribbean  
Programme Management Department



### Appendix 3: Compliance with legal covenants: status of implementation

Appendix 3: Compliance with legal covenants: status of implementation				
Section	Covenant	Target/Action Due Date	Compliance Status Date	Remarks
Section B.8	The Borrower/Recipient shall provide counterpart financing for the Project in an amount equivalent to two million four hundred and thirty thousand US dollars (USD 2 430 000) in cash and in kind, including covering of taxes and duties in an amount equivalent to one million four hundred and eighty USD dollars (USD 1 480 000)	Ongoing	Ongoing	Taxes won't reach that amount. Government is absorbing all operations and salaries and cover 100% for the extension period April 2023 to March 2024
II.5.1	The Lead agency for the implementation of the Hinterland Project will be the Ministry of Agriculture through its Agriculture's Sector Development Unit (ASDU)	Ongoing	Complied	
II.5.5	The Project will provide support to strengthen the capacity of the MOA M&E Unit and ensure that Project implementation monitoring is linked to MOA performance monitoring and feeds into existing Agriculture Strategy indicators	Ongoing	Complied	Working closely with M&E unit
II.5.5	The Baseline Study will be carried out immediately after the approval of the Financing Agreement by IFAD's Executive Board and before implementation	After approval	Completed	
II.6	Financial Management (FM) and Procurement of the Project will be undertaken by the ASDU	From start	Completed and Ongoing	The entire PMU fits into ASDU-MOA
II.7	Project procurement of goods and services will be carried out by ASDU in accordance to national regulation as long as it is compatible with IFAD Project	From start	Ongoing	
II.10	The PIM shall be prepared by the PMU and approved by the Permanent Secretary, who will have the responsibility to send to IFAD for its non-objection	From start	Ongoing	Draft have been revised accordingly
Section 4.01	Upon the entry into force of a FA, the Fund shall open a loan Account and/or a Grant Account denominated in the Denomination Currency in the name of the Borrower/Recipient and credit the principal amount of the loan and and/or the amount of the Grant, respectively thereto.	From Start	Completed	HESAD has 1 project account (where IFAD makes payments/ Designated account) and 2 operational accounts: 1 for project implementation and 1 for grants to communities
Section 4.02	Between the date of entry into force of the Agreement and the Financing Closing Date, the Borrower/Recipient	From Start	Ongoing	Part of operation



	may request withdrawals from the loan Account and/or Grant Account of amounts paid or to be paid for Eligible Expenditures			
Section 4.02	No withdrawal shall be made from the loan and/or Grant Accounts until the first AWPB has been approved by the Fund and the Fund has determined that all other conditions specified in the FA as additional general conditions precedent to withdrawal have been fulfilled. The FA may also establish additional specific conditions precedent to withdrawal applicable to particular categories or activities. Withdrawals to meet the costs of starting up the Project may be made from the date of entry into force of the Agreement, subject to any limits established in the FA	As needed	Ongoing	Conditions met before first withdraw was made Project Account is replenished based on requests made by the PMU, which are based on the project's needs.
Section 4.08	The Financing shall be used exclusively to finance expenditures meeting each of the requirements included in the section 4.08	Ongoing from start	Complied	
Section 5.02	The Borrower shall repay the aggregate principal amount of the Loan withdrawn from the Loan Account in semi-annual instalments, calculated on the basis of the total principal amount over the maturity period minus the grace period		Complied	Towards financial closure.
Section 7.01	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. When so reviewed, the Lead Project Agency shall submit the draft Project AWPB to the Fund for comments no later than sixty (60) days before the beginning of the relevant Project Year. If the Fund does not comment on the draft Project AWPB within thirty (30) days of receipt, the AWPB shall be deemed acceptable to the Fund	October 2023	Submitted	As of December 11 <sup>th</sup> 2023, this document is awaiting approval from IFAD and has been uploaded timely in Notus by the client.  The 2024 AWPB will be submitted at the end of December 2023.
Section 7.05	Procurement of goods, works and services carried out in accordance with the provisions of the borrower/ recipients' procurement regulations to the extent such are consistent with the IFAD Procurement Guidelines	From Start	Complied, Ongoing	Any discrepancies are flagged during the supervision missions and in the event of this, remedial actions are agreed. The annual audit reviews the procedures of procurement processes.
Section 7.06	All goods, services and buildings financed by the Financing shall be used exclusively for the purposes of the Project	From Start	Complied	
Section 8.01	The Borrower/Recipient shall ensure that the Project Parties maintain			Based on last IFAD's project the GoG keeps

	records and documents adequate to reflect their operations in implementing the Project (including, but not limited to, copies or originals of all correspondence, minutes of meetings and all documents relating to procurement) until the Project Completion Date, and shall retain such records and documents for at least ten (10) years thereafter			records of the require documentation. We therefore, expect the same with HESAD.
Section 8.03	Periodic progress reports on the project submitted to the Fund, in such form and substance as the Fund shall reasonably request	From the start	Complied	Client submits before each mission on time
Section 8.03	A Mid-Term Review (MTR) to be carried out jointly by the Borrower and IFAD	October 2023	Completed	
Section 8.04	As promptly as possible after the Project Completion Date but in any event no later than the Financing Closing Date, the Borrower/Recipient shall furnish to the Fund a report on the overall implementation of the Project	Before financing closing date		According to IFAD's new guidelines, IFAD writes the completion reports. Therefore, the client will provide the information/data relevant to the content of the report
Section 9.02	The Borrower/Recipient shall deliver to the Fund detailed financial statements of the operations, resources and expenditures related to the Project for each Fiscal Year prepared in accordance with standards and procedures acceptable to the Fund and deliver such financial statements to the Fund within four (4) months of the end of each Fiscal Year	From start	Ongoing	Client has complied every year
Section 9.03	Audit report submitted to IFAD	June 2023	Completed and submitted.	Overall project audit is completed and submitted. The grant investment audit is on its way
Section 11.01	The Financing and all Loan Service Payments shall be exempt from all Taxes, and all Loan Service Payments shall be made free and clear of Taxes	From start	Ongoing	Once the taxes are stated, the client will comply

The above sections/covenants are illustrative; if applicable to your project the contents of which are common to all Financing Agreements, ensure that the references to the Financing Agreement are correct. Covenants specific to your project should be added to this table.

## Guyana

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### **Hinterland Environmentally Sustainable Agricultural Development Project Supervision Report**

#### **Appendix 7: Integrated Project Risk Matrix (IPRM)**

Mission Dates: 09/10/2023 to 20/10/2023

Document Date: 30/01/2024

Project No. 2000001472

Report No. 6747-GY

Latin America and the Caribbean  
Programme Management Department



## Overall Summary

<b>Risk Category / Subcategory</b>	<b>Inherent risk</b>	<b>Residual risk</b>
<b>Country Context</b>	<b>Moderate</b>	<b>Moderate</b>
<i>Political Commitment</i>	<i>Substantial</i>	<i>Low</i>
<i>Governance</i>	<i>Moderate</i>	<i>Low</i>
<i>Macroeconomic</i>	<i>Moderate</i>	<i>Low</i>
<i>Fragility and Security</i>	<i>Moderate</i>	<i>Low</i>
<b>Sector Strategies and Policies</b>	<b>Moderate</b>	<b>Low</b>
<i>Policy alignment</i>	<i>Moderate</i>	<i>Low</i>
<i>Policy Development and Implementation</i>	<i>Moderate</i>	<i>Low</i>
<b>Environment and Climate Context</b>	<b>Moderate</b>	<b>Low</b>
<i>Project vulnerability to environmental conditions</i>	<i>Moderate</i>	<i>Low</i>
<i>Project vulnerability to climate change impacts</i>	<i>Moderate</i>	<i>Low</i>
<b>Project Scope</b>	<b>High</b>	<b>Substantial</b>
<i>Project Relevance</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Technical Soundness</i>	<i>High</i>	<i>Substantial</i>
<b>Institutional Capacity for Implementation and Sustainability</b>	<b>Substantial</b>	<b>Substantial</b>
<i>Implementation Arrangements</i>	<i>High</i>	<i>Substantial</i>
<i>Monitoring and Evaluation Arrangements</i>	<i>Moderate</i>	<i>Low</i>
<b>Project Financial Management</b>	<b>Moderate</b>	<b>Moderate</b>
<i>Project Organization and Staffing</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Project Budgeting</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project Funds Flow/Disbursement Arrangements</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Project Internal Controls</i>	<i>High</i>	<i>High</i>
<i>Project Accounting and Financial Reporting</i>	<i>Low</i>	<i>Low</i>
<i>Project External Audit</i>	<i>High</i>	<i>Moderate</i>
<b>Project Procurement</b>	<b>Moderate</b>	<b>Moderate</b>
<i>Legal and Regulatory Framework</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Accountability and Transparency</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Capability in Public Procurement</i>	<i>Low</i>	<i>Low</i>
<i>Public Procurement Processes</i>	<i>Low</i>	<i>Low</i>
<b>Environment, Social and Climate Impact</b>	<b>Low</b>	<b>Low</b>
<i>Biodiversity Conservation</i>	<i>Low</i>	<i>Low</i>
<i>Resource Efficiency and Pollution Prevention</i>	<i>Low</i>	<i>Low</i>
<i>Cultural Heritage</i>	<i>Low</i>	<i>Low</i>
<i>Indigenous People</i>	<i>Moderate</i>	<i>Low</i>
<i>Labour and Working Conditions</i>	<i>Low</i>	<i>Low</i>
<i>Community Health and Safety</i>	<i>Low</i>	<i>Low</i>
<i>Physical and Economic Resettlement</i>		<i>No risk envisaged - not applicable</i>
<i>Greenhouse Gas Emissions</i>	<i>Low</i>	<i>Low</i>

<b>Risk Category / Subcategory</b>	<b>Inherent risk</b>	<b>Residual risk</b>
<i>Vulnerability of target populations and ecosystems to climate variability and hazards</i>	<i>Moderate</i>	<i>Low</i>
<b>Stakeholders</b>	<b>Moderate</b>	<b>Low</b>
<i>Stakeholder Engagement/Coordination</i>	<i>Moderate</i>	<i>Low</i>
<i>Stakeholder Grievances</i>	<i>Low</i>	<i>Low</i>
<b>Overall</b>	<b>Moderate</b>	<b>Moderate</b>

<b>Country Context</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Political Commitment</b>	<b>Substantial</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>The People's Progressive Party (PPP) government has repeatedly articulated (including to IFAD) agriculture's importance in the new government's development strategy, and has differentiated itself through this focus on agriculture, from its main political rivals. Any actions that undermines this narrative (e.g. cancellation of project funds, withholding of funding etc), could lead to significant delays and bring negative consequences for the wider UN system in Guyana.</p>	Substantial	Low
<p><b>Mitigations:</b></p> <p>Consider extensions of the project duration and other measures (e.g. closing the project with an unspent balance) that avoid undermining GoG's public narrative.</p>		
<p><b>Risk:</b></p> <p>Village Council elections, due in Q2-2024 could cause delays in wind-down activities, particularly data collection for the project's endline.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>Complete endline data collection and related fieldwork no later than April 2024.</p>		
<b>Governance</b>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>The current government's heavily centralised decision-making process, its focus on coastal agriculture and development, and the absence of a national strategy for agriculture, has contributed to delays or reversed major decisions and agreements pertaining to HESAD's implementation. This risk remains for the remainder of the HESAD project, with potential delays for project implementation.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>Periodically engage both Ministers of Agriculture, and Finance on the progress of HESAD. Prioritise in-person supervision missions, and field visits with both Ministers to strengthen commitment to and engagement with HESAD.</p>		
<b>Macroeconomic</b>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>Guyana's economy continues to record high levels of growth, fuelled by the expanding oil &amp; gas sector. Funds from Natural Resource Fund, and from the sale of carbon credits under the LCDS strategy are flowing to hinterland communities. Lack of absorptive capacity in beneficiary communities could lead to delays in the implementation of community projects financed by HESAD and may lead to saturation of the market for goods produced by community projects and businesses.</p>	Moderate	Low

<p><b>Mitigations:</b></p> <p>Strengthen collaboration between and information sharing between the PMU, and other key actors in hinterland development, including the Ministry of Amerindian Affairs (MoAA) and the RDCs. Strengthen regional steering committees, under strong participation from private and public sector stakeholders. Strengthen information sharing between communities in each region to avoid duplication and saturation. Periodically review whether these measures are effectively mitigating the risk.</p>		
<p><b>Fragility and Security</b></p>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>Possible drought conditions and extreme dry weather events, predicted for Q4-2023 and Q1-2024 could delay project implementation.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>Factor some down-time into AWPB and encourage realistic work planning by PMU. Support local peer-to-peer networks that support project beneficiaries to advance community projects with reduced PMU support.</p>		
<p><b>Sector Strategies and Policies</b></p>	<b>Moderate</b>	<b>Low</b>
<p><b>Policy alignment</b></p>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>Although several country strategies and policies will be updated or modified by the new Government, this is not envisioned as an important risk for the implementation of the project, since the intervention strategy is deeply rooted in participatory planning by communities themselves. Nonetheless, the significant implementation challenges HESAD has faced are linked with the strong pro-poor and participatory approach of the project, which does not match the Ministry of Agriculture's vision for the sector.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>The project's participatory community planning approach ensures that project implementation is aligned with the needs and demands of the beneficiary target group.</p>		
<p><b>Policy Development and Implementation</b></p>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>The sustainability and lack of an evidence-based approach of strategies and policies in the rural and agricultural sector can undermine project implementation, although the risk is considered low given the project's strong participatory focus.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>The project's participatory community planning approach ensures that implementation is aligned with the needs and demands of the beneficiary target group.</p>		
<p><b>Environment and Climate Context</b></p>	<b>Moderate</b>	<b>Low</b>
<p><b>Project vulnerability to environmental conditions</b></p>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>The project was designed with the awareness of extreme events and how they may have significant adverse impacts on food and nutrition security, agricultural productivity, access to markets, value chains, infrastructure, and/or the incidence of pests and diseases, resulting in increased vulnerability or deterioration of target populations' livelihoods and ecosystems.</p>	Moderate	Low

<p><b>Mitigations:</b></p> <p>The SECAP review note sets out that the project should undertake a comprehensive hazard mapping and vulnerability assessments using standardized vulnerability and risk assessment (VRA).  The project would be able to count with effective adaptation measures not only through the introduction of a set of techniques and practices, but through the definition of the climate proof agricultural technical packages on the basis of experimentation, community-based trial of proposed solutions, testing and revision of DRR/DRM plans. The approach should move from what may be called spontaneous adaptation to what is called planned adaptation.  The restructuring proposal furthermore includes the following: To encourage integration of climate smart agri-practices, and nutrition in community plans, the Investment Fund will expand the ceiling by 25% in each category (P/CIPS, BPs, TPs) for proposals that integrate climate smart agri-practices and/or nutrition.  The PMU will curate and share materials (preferably in video form, or as info graphics) to support communities to mainstream climate change considerations and climate-smart agriculture in project design.</p>		
<p><b>Project vulnerability to climate change impacts</b></p>	<p><b>Moderate</b></p>	<p><b>Low</b></p>
<p><b>Risk:</b></p> <p>Two risks have been identified:  i) Food and nutrition security may be affected if agricultural technical packages are not climate resilient  ii) Investments to enhance agricultural production are hindered by climatic risks</p>	<p>Moderate</p>	<p>Low</p>
<p><b>Mitigations:</b></p> <p>Mitigations for Risk i)  - Crop diversification through alternative ecologically adapted and economically profitable crop varieties more suited to extreme climate  - Improve processing, storage and preservation of food to reduce seasonality of food insecurity, and add value to agricultural goods  Mitigations for Risk ii)  - Strengthen disaster risk management and response at community and regional levels,  - Ensure storage and transport infrastructure are not built in risk prone areas</p>		
<p><b>Project Scope</b></p>	<p><b>High</b></p>	<p><b>Substantial</b></p>
<p><b>Project Relevance</b></p>	<p><b>Substantial</b></p>	<p><b>Moderate</b></p>
<p><b>Risk:</b></p> <p>The project's intervention approach, deeply rooted in participatory planning and identification of investment needs, ensures its relevance and response to the priorities of the target group. However, there is a mismatch between the nature of the project and the development approach of the implementing body (ASDU), which is a major threat to effective implementation and ownership. The ASDU has not contracted the District Councils (as envisioned in the restructuring proposal), contributing to the implications of the above-mentioned mismatch. The overall quality of facilitation of the community planning process, by current PMU staff is lacking, contributing to project plans of questionable sustainability and relevance.</p>	<p>Substantial</p>	<p>Moderate</p>
<p><b>Mitigations:</b></p> <p>The restructuring proposal of the project envisions ASDU's management of the Investment Fund (accompanied by the necessary transparency measures), which will reinforce ownership. In the absence of the District Councils, the PMU envisions additional field facilitators will strengthen the capacity on the ground to improve implementation speed and quality, and strengthen two-way communication between the PMU and the beneficiaries. Additional investments in training of project beneficiaries may contribute to improving relevance and sustainability, and would investments in revising the process of facilitating business plans.</p>		
<p><b>Technical Soundness</b></p>	<p><b>High</b></p>	<p><b>Substantial</b></p>



<p><b>Risk:</b></p> <p>Although the project design is technically sound and fully incorporates all IFAD's mainstreaming themes, the approach is complex and multi-layered, and may not have sufficiently considered the interest and capacity of the implementing agency, ASDU.</p>	High	Substantial
<p><b>Mitigations:</b></p> <p>While maintaining the key features of the original design, the restructuring proposal of the project will re-dimension certain activities and devise alternative implementation arrangements (involvement of District Councils, contracting and implementing partners in Region 1, strengthen coordination with Regional Democratic Councils, etc.) that can accelerate implementation while contributing to the original project development objective.</p>		
<b>Institutional Capacity for Implementation and Sustainability</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Implementation Arrangements</b>	<b>High</b>	<b>Substantial</b>
<p><b>Risk:</b></p> <p>The PDR identified limited inter-institutional coordination at regional level and weak managerial, organisational and implementation capacities as key institutional risks. Moreover, there is a significant disconnect between the MoA's interest and what was agreed to in the PDR, and a profound mismatch between the nature of the project and the focus of the implementing body (ASDU) which has no recent experience of sustaining people-centered interventions in Indigenous communities. Attempts to include local District Councils and other organizations local to the target regions have met with resistance. There is very little appetite for contracting third party services.</p>	High	Substantial
<p><b>Mitigations:</b></p> <p>In the absence of partnerships with DCs and local organizations, the project is left with no alternatives but to strengthen the capacity of local arms of the MoA. Encouraging local and peer-to-peer networks of support has greater chances of successfully delivering timely support in the project's remote settings, but will require a shift in mind-set at the ASDU. The current lack of local partnerships undermines sustainability to the project's investments in beneficiary communities.</p>		
<b>Monitoring and Evaluation Arrangements</b>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>The project's M&amp;E systems have improved progressively since the MTR, but capacity to update existing dashboard, and the limited use of data in decision-making risks sub-par outcomes.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>Unfortunately, while we have made some progress here, this has not been fully mainstreamed.</p>		
<b>Project Financial Management</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Project Organization and Staffing</b>	<b>Moderate</b>	<b>Moderate</b>

<p><b>Risk:</b></p> <p>The structure is adequate to the functional needs of the project. However, the set up of the organigram of ASDU respond to the financing sources handled by the unit and does not reflect a coherent coordination of functions. Every officer is in charge of one or more financing sources and some officer are accountable to more than one project. As a consequence, in some cases FM personnel are occupied with low-value activities, such as expense voucher registration and preparation, diverting their focus from primary responsibilities related to internal control and financial reporting. To address this, there is a need to create additional capacity by entrusting routine operational tasks to less-qualified personnel and increasing staffing. Furthermore, it is advisable to review the existing organizational structure to facilitate greater task delegation and a more process-oriented approach.</p>	Moderate	Moderate
<p><b>Mitigations:</b></p> <p>Enhance Staff Capacity: Propose a plan to IFAD for staff capacity enhancement to boost financial oversight. This involves reviewing FM personnel's TORs to delegate operational tasks to less-qualified staff while expanding the team (consider incorporating an intern for data entry tasks). This aims to establish internal control measures and ensure transparent financial reporting, aligning with the project's objectives. Deadline: 28 Feb 2024</p> <p>Identify capacity training programs online or in presence for the FM personnel in financial reporting and internal control. Propose them as part of a learning program for the ASDU Finance team for IFAD's consideration Deadline: 28 Feb 2024</p>		
<p><b>Project Budgeting</b></p>	<b>Substantial</b>	<b>Moderate</b>
<p><b>Risk:</b></p> <p>The AWPB preparation is a collaborative effort. However, AWPBs typically require revisions after submission. The AWPB for the FY 2023 was approved with significant delay (13/March/2023). The AWPB for the closure period is still pending IFAD's N.O. All activities for the project closure must be defined and agreed.</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>Prepare and submit AWPB for the 2024 FY, inclusive of closure period. Define all winding-down activities to be carried out during the closure period (i.e. key personnel to complete activities related to closure; costs of final evaluation and preparation of PCR; final event to communicate /present results of program; office supplies for filing/travel costs for closing of regional offices if applicable; audit fees; etc). Winding down expenditures are approved a part of the final AWPB and need to be presented separately</p>		
<p><b>Project Funds Flow/Disbursement Arrangements</b></p>	<b>Moderate</b>	<b>Moderate</b>
<p><b>Risk:</b></p> <p>While no issues have been identified with respect to the project's flow of funds process, the project's disbursement rate remains low, and is reflective of the relatively slow pace of project implementation. The 2020 restructuring has resulted in an improved pace of implementation, but that has not yet been reflected in the disbursement rate. As part of the restructuring, the project now manages the implementation of the investment funds, which has caused an increase in the rate of expenditures as well as the volume of transactions being handled by the project. There is no delay in disbursing counterpart funds. It is normally received when requested. ASDU provides a report of projected expenditures to the Ministry of Finance via PS of MOA and on this basis, counterpart funds are disbursed. Counterpart contributions as established in the Financing Agreement are correctly accounted for and reported. Beneficiaries' contributions are also recorded and reported to IFAD. However, they are only registered in the final justification report (0 payment) at the closure of the business plan and there is no systematic approach or methodology for the recording of in-kind contributions.</p>	Moderate	Moderate

<p><b>Mitigations:</b></p> <p>Ensure that cash contributions from beneficiaries are duly reported before the closure of the business plans.</p> <p>Scale up proposal: In line with IFAD's in-kind contribution guidelines, the ASDU team should review and adapt the guideline to the Grant Investment Fund mechanism's operations. Field facilitators should ensure the consistent implementation of the revised methodology, and beneficiaries' contributions should be reported with each payment, rather than solely at completion. This change promotes proactive and accurate tracking and reporting of in-kind contributions.</p>		
<p><b>Project Internal Controls</b></p>	<p><b>High</b></p>	<p><b>High</b></p>
<p><b>Risk:</b></p> <p>There is no internal audit function within MOA but there are sufficient checks to ensure integrity of transactions. All audit functions in the public sector are performed annually by the Office of the Auditor's General. The project receives a report with recommendations and required actions and progress is monitored in the next internal control report. The reports are due in concurrence with the audit reports.</p> <p>Adequate backup of financial records is currently in place. There are no online backups for financial records, and while there is one server for operating QuickBooks, it doesn't facilitate information storage.</p> <p>Limited fiduciary provisions are currently in place for overseeing the Grant Investment Fund. Most funds for BPs and PCIPs are disbursed to Community Bank Accounts. However, financial inclusion is severely restricted, and opening bank accounts is not feasible. Communities receiving governmental funds, primarily in the form of grants, lack financial accountability requirements, resulting in a complete absence of financial reporting. This situation is partly due to the fact that communities neither pay taxes nor receive income from the central administration, as there is no tax redistribution system in place. Internal control measures at the PMU level, including site visits, the review and validation of financial reports, and spot checks of expenditures, are nonexistent due to the lack of capacity. Field facilitators provide periodic reports, updating on the progress of activities and conducting reviews of community bookkeeping. However, these processes lack a systematic approach and are not adequately covered in the Grant Investment Fund (GIF) manual.</p>	<p>High</p>	<p>High</p>

<p><b>Mitigations:</b></p> <p>Scale up proposal: PIM and Grant Investment Fund manual are to be updated to enhance internal control mechanism and controls.</p> <p>Establish a tracking system to monitor the status of BPs and PCIPs. Plans are considered complete when payments are processed, beneficiary contributions are recorded, and completion reports are submitted. Ensure timely recording of beneficiary contributions during payment to expedite the completion process for BPs and PCIPs.</p> <p>Prior to any disbursement of funds to BPs and PCIPs, it is mandatory to implement a Certificate of Acceptance for goods and works. This certificate will comprehensively outline the completed work and goods received and should bear the signature of the Field Facilitator. Subsequently, the Procurement team will review this same certificate to ensure that all activities and dates align with the terms of the contract. The individual responsible for financial matters must ensure that the Certificate of Acceptance is diligently prepared and signed to initiate the voucher payment process. All individuals involved in this process will be required to include the date, their name, and their signature on the certificate.</p> <p>Scale-up proposal: It is recommended that ASDU collaborates with a consulting firm specializing in QuickBooks to implement system improvements. Specifically, the focus should be on transitioning to a cloud-based backup solution for financial records. Furthermore, new financial modules, such as multicurrency, fixed asset registers, and ideally IFRS reporting, should be included and developed.</p> <p>Direct payment to suppliers to be increased in isolated communities.</p> <p>GIF Manual Enhancement: Revise the GIF manual to incorporate procedures and guidelines for financial reporting, oversight, and audit requirements specific to the project's context.</p>		
<p><b>Project Accounting and Financial Reporting</b></p>	<p><b>Low</b></p>	<p><b>Low</b></p>
<p><b>Risk:</b></p> <p>The Chart of Accounts is adequate and overcomes the limitations from QuickBooks. Cost allocations to the various funding sources, components and cost category can be made and monitored accurately.</p> <p>The Project uses two systems: Quick books (ASDU) and the Financial Management Information System (IFMIS) at Government's level. No issues have been identified with accounting and reporting; however, the project has been handling a very limited volume of transactions.</p> <p>Interim Financial Reports are now prepared and submitted on a quarterly basis. IFRs have not always been submitted timely</p>	<p>Low</p>	<p>Low</p>
<p><b>Mitigations:</b></p> <p>N/A</p>		
<p><b>Project External Audit</b></p>	<p><b>High</b></p>	<p><b>Moderate</b></p>
<p><b>Risk:</b></p> <p>The audit report and financial reports are of commendable quality. However, the external audit of the Grant Investment Fund, a requirement of the structuring agreement, has not yet been completed.</p> <p>In terms of the auditor's opinion on the financial statements, the project's audit report does not explicitly reference the cash basis IPSAS accounting standard; instead, it relegates this mention to the notes accompanying the financial statements. This practice falls short of full compliance with the standard.</p>	<p>High</p>	<p>Moderate</p>
<p><b>Mitigations:</b></p> <p>N/A</p>		
<p><b>Project Procurement</b></p>	<p><b>Moderate</b></p>	<p><b>Moderate</b></p>
<p><b>Legal and Regulatory Framework</b></p>	<p><b>Moderate</b></p>	<p><b>Moderate</b></p>

<p><b>Risk:</b></p> <p>Country procurement law, regulations and manual exist, are valid for the whole country and basically harmonised with international standards. Anyhow some public procurement areas are still weak, notably: long and complex awarding procedure increasing drastically the needed time.</p>	Moderate	Moderate
<p><b>Mitigations:</b></p> <p>HESAD procurement team needs to have a proactive approach to start the procurement activities on time and should focus on optimizing the evaluation time. Additional time required in the procurement planning is a recently included recommendation to the PMU. We will assess at next mission.</p>		
<p><b>Accountability and Transparency</b></p>	<b>Moderate</b>	<b>Moderate</b>
<p><b>Risk:</b></p> <p>Some dispositions restricts the right of appeal/complaint: 1. the award or a decision approved by the Cabinet shall not be subject to review; 2. the appeal or complaint must be accompanied by a registration fee equivalent to 2% of the actual or estimated value of the procurement, subject however to a maximum of G\$ 2 million; 3. A complaint or protest submitted later than 7 working days from the date the complainant became aware or should have become aware of the circumstances leading to the complaint or protest.</p> <p>The investigation of corruption allegations is carried out by an office within the government ministry/agency owning the tender.</p>	Moderate	Moderate
<p><b>Mitigations:</b></p> <p>In IFAD's funded projects no time and fee payment restriction will be applied for appeals/complaints.</p> <p>Concerning independent and competent local authority responsible for investigating corruption allegations not having a complete independent body, in case of complaint IFAD will closely follow the case to approve or not the final decision. Being this project just above the threshold to represent a Substantial risk in Accountability and Transparency, all project's procedures and processes falling under this indicator must be closely followed on.</p>		
<p><b>Capability in Public Procurement</b></p>	<b>Low</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>HESAD project has clearly divided roles and officers attending the different roles. An experienced Procurement Officer is in charge of the procurement activities and is helped by a Procurement Assistant; MoA evaluation committees are in place; procurement documents use IFAD standard documents; tenders are advertised properly. There is a need to improve Contract Management.</p>	Low	Low
<p><b>Mitigations:</b></p> <p>Training on IFAD Procurement regulatory framework will be delivered to ensure compliance with IFAD project procurement guidelines</p>		
<p><b>Public Procurement Processes</b></p>	<b>Low</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>The HESAD is using a hybrid method: using the IFAD SBDs and following some national rules which is reflecting negatively on the quality of the SBDs and on the evaluation report, such as: a) the application of national rules regarding the minimum number of days for advertisement, b) the bid security is expressed in percentage instead of fixed amount; c) the NOITA Notice of Intent to Award (NOITA) is not being used to allow a standstill period for protest within 10 working days.</p>	Low	Low

<p><b>Mitigations:</b></p> <p>To use FAD's Procurement Handbook and Guidelines; to improve the quality of the SBDs and of the evaluation report; to follow IFAD Guidelines in identification of the minimum number of publication of the advertisement (45 days for ICB and 30 days for NCB) and in expressing the bid security in a fixed amount; to issue the NOITA Notice of Intent to Award (NOITA) to allow a standstill period for protest within 10 working days. While the project is using the National Procurement System, it is at the same time using IFAD standard documents for all procurement activities above 5,000 USD.</p>		
<b>Environment, Social and Climate Impact</b>	<b>Low</b>	<b>Low</b>
<b><i>Biodiversity Conservation</i></b>	<b>Low</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>The project was designed with full consideration of the risk of biodiversity loss, and designed to mitigate such risks and strengthen resilience as key PDO. The project includes measures to increase biodiversity, availability of diversified nutritious food, promote care-take of ecosystems and ecosystem services, and avoidance of unsustainable use/production of living natural resources.</p>	Low	Low
<p><b>Mitigations:</b></p> <p>Mapping of potentially marketable traditional and non-traditional forest products with high agricultural and nutritional, or economic value - Valorisation and promotion of native forest species of high agriculture/nutritional value and other NTFP.</p>		
<b><i>Resource Efficiency and Pollution Prevention</i></b>	<b>Low</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>There is not a risk for significant pollution to air, water, and land, and inefficient use of finite resources that may threaten people, ecosystem services and the environment at the local, regional, and global levels.</p>	Low	Low
<p><b>Mitigations:</b></p> <p>The project applies climate-smart agriculture and the small-scale investments at community level that are not considered environmentally damaging. In addition, mitigation considerations are conducted for each Community Development Plan.</p>		
<b><i>Cultural Heritage</i></b>	<b>Low</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>The project beneficiaries are indigenous communities and since the restructuring the "indigenous development component" has been strengthened. The risk for loss of resources of historical, religious or cultural significance should be considered minimal.</p>	Low	Low
<p><b>Mitigations:</b></p> <p>Due to the restructuring, the risks for negative impacts on cultural heritage has been minimised. This is because the regional implementing partners are the indigenous-led District Councils and the FPIC process will be thoroughly integrated in the project implementation.</p>		
<b><i>Indigenous People</i></b>	<b>Moderate</b>	<b>Low</b>

<p><b>Risk:</b></p> <p>Given the nature of the project – with a strong participatory planning focus and with the goal of improving community resilience - the risk that the project could cause significant adverse physical, social, or economic impacts on indigenous peoples can be considered minimal. However if not well executed the project could bring about significant adverse social impacts. Especially if the Free, Prior and Informed Consent (FPIC) process is well executed and followed.</p> <p>Risk:</p> <p>Given the nature of the project – with a strong participatory planning focus and with the goal of improving community resilience - the risk that the project could cause significant adverse physical, social, or economic impacts on indigenous peoples can be considered minimal. However if not well executed the project could bring about significant adverse social impacts. Especially if the Free, Prior and Informed Consent (FPIC) process is well executed and followed.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>The project has an FPIC Implementation Plan, and the restructuring of the project has led to an opportunity to strengthen the integration of the FPIC plan in to the project documents. Another strategy to mitigate potential impact is to have the indigenous-led District Councils in the lead for the project implementation at regional level.</p> <p>PMU will contract third party services to support the development of the project's Gender and Social Inclusion Strategy, and for a revision of the Project's FPIC Plan; both will result in costed actions to ensure quick implementation.</p>		
<p><b>Labour and Working Conditions</b></p>	Low	Low
<p><b>Risk:</b></p> <p>The risk that the project may cause exploitative labour practices (e.g. forced or child labour), gender based violence, discriminatory and unsafe/unhealthy working conditions for people employed to work specifically in relation to the project, including third parties and primary suppliers.</p> <p>The project mainly invests in relatively small investment plans (training plans, community plans and business plans) which are designed and implemented in a participatory way by the communities themselves. Therefore, the risk that it may lead to exploitative labour practices (forced or child labour, etc.) is considered minimal.</p>	Low	Low
<p><b>Mitigations:</b></p> <p>The close supervision of the investment plans by the communities themselves and the establishment of an accessible grievance mechanism, will mitigate this risk.</p>		
<p><b>Community Health and Safety</b></p>	Low	Low
<p><b>Risk:</b></p> <p>The approach to mainstream nutrition into the project design envisioned a systematic consideration of 'doing no harm' to community health and food and nutrition security in the investment plans financed by the project, thus the risk is considered low.</p>	Low	Low
<p><b>Mitigations:</b></p> <p>The project will minimise this risk by providing nutrition trainings to inform household's dietary choices and raise awareness about potential risks derived from specific investments. It will also ensure that nutrition is considered in community plans and business plans, with a focus on maintaining and increasing the richness, variety and nutritional quality of the local food system.</p>		
<p><b>Physical and Economic Resettlement</b></p>		<b>No risk envisaged - not applicable</b>
<p>The project does not pose such risks</p>		

<b>Greenhouse Gas Emissions</b>	<b>Low</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>Due to basic subsistence or income-generating activities of rural families and their use of forests, the project could potentially lead processes in the change of land use (agricultural uses, food production, processing or eco-tourism), so they are potentially sources of greenhouse gas emissions.</p>	Low	Low
<p><b>Mitigations:</b></p> <p>The project promotes climate-smart agriculture practices and will be implemented with close collaboration with supporting partners (GMC, Hydromet), and implementing partners on the ground. The PMU will collect and make accessible to project beneficiaries, relevant market, climate and weather data. Access to information on markets remains a key barrier for remote Indigenous communities, undermining effective decisions about what to produce, and which markets to target. The PMU will make information accessible using websites (HESAD, and those of implementing partners), an Android App, and via community radio stations (Paiwomak, Lethem, Aishalton, Mabaruma) via a monthly radio programme.</p>		
<b>Vulnerability of target populations and ecosystems to climate variability and hazards</b>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>The project is designed to address several existing environmental and social concerns in the target area, namely improved access to water for human consumption and agricultural production, enhanced NRM (forest, crop and grassland), and promotion of renewable energy. Thus, it would enhance both food security and nutrition, while at the same time raise income levels, with economic benefits for poor and smallholder farmers through development of local agribusiness and households/ Community Based Enterprises (CBEs) Investment Plans and strengthening of market access. Nonetheless, the project has already witnessed the impacts of dry spells and torrential rains that negatively impacted agricultural output and food security.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>The project place emphasis on ensuring economic, institutional, social and environmental sustainability. Implementation of the project includes potential positive impacts on the social and natural environment by addressing the market and environmental risks that are putting a severe strain on their resilience and social cohesion of the hinterland communities. Thus, the mitigation strategy is to increase productivity of smallholders while at the same time enhance NRM and environmental conditions, and doing this in a way that builds resilience to CC. There has been increased productivity in some instances. An outcome survey of December 2023 should provide more information.</p>		
<b>Stakeholders</b>	<b>Moderate</b>	<b>Low</b>
<b>Stakeholder Engagement/Coordination</b>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>The PMU fails to adequately engage and inform relevant stakeholders, particularly those outside the MoA structure, undermining the quality of investments on the ground, the project's sustainability and exit strategy, and its influence on policy.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>Support efforts to strengthen areas where collaboration and stakeholder engagement are already happening (GIF Evaluation Panels; Steering Committees), and highlight the benefits for PMU and MoA/MoF decision-makers.</p>		
<b>Stakeholder Grievances</b>	<b>Low</b>	<b>Low</b>



<p><b>Risk:</b></p> <p>The risk that the project grievance/complaint redress processes (including with respect to allegations of non-compliance with IFAD's E,S,C standards, fraud, corruption, or SEA) are inadequately implemented and leads to unaddressed stakeholder and beneficiary complaints that undermine project implementation and achievement of project development objectives.</p>	<p>Low</p>	<p>Low</p>
<p><b>Mitigations:</b></p> <p>Systematically monitor the PMU's grievance and redress mechanism reports during each mission. Validate that beneficiaries and partners are aware of the GRM, and have access to the mechanism.</p>		