

Kiribati

Outer Islands Food and Water Project

Supervision Report

Mission Dates: 10/11/2022 24/11/2022

Document Date: 06/03/2023

Project No. 1100001708

Report No. OIFWP: 6395-KI

Asia and the Pacific Division
Programme Management Department

Abbreviations and Acronyms

AA	Agriculture Assistants
ACIAR	Australian Centre for International Agricultural Research
AF	Additional Financing
ALD	Agriculture and Livestock Division (of MELAD)
AWPB	Annual Work Plan and Budget
CAWDP	Community Agriculture and Water Development Plan
CDC	Community Development Committee
CDP	Community Development Plan
CFO	Community Facilitation Officer
CNO	Community Nursery Owners
CS	Construction Supervisor
DFAT	Department for Foreign Affairs and Trade
ESMP	Environmental and Social Management Plan
FM	Financial Management
FO	Finance Officer
FSPK	Foundation for the Peoples of the South Pacific - Kiribati
GoK	Government of Kiribati
HH	Household
IC	Island Council
IDP	Island Development Plan
IF	Island Facilitator
IP	Island Profile
IWT	Island Water Technician
KAP	Kiribati Adaptation Project
KIRIWATSAN	Kiribati Island Water and Sanitation Project
KM	Knowledge Management
KOIFAWP	Kiribati Outer Islands Food and Water Project
KFSU	Kiribati Financial Services Unit
KSF	Korean Supplementary Funds
LCDF	Least Developed Countries Fund
MCIC	Ministry of Commerce, Industry and Cooperatives
MELAD	Ministry of Environment, Land and Agriculture Development
MHMS	Ministry of Health and Medical Services
MFAI	Ministry of Foreign Affairs and Immigration
MFED	Ministry of Finance and Economic Development
MoE	Ministry of Education
MIA	Ministry of Internal Affairs
MIS	Management Information System
MISE	Ministry of Infrastructure and Sustainable Energy
MoH	Ministry of Health
MoJ	Ministry of Justice
MOU	Memorandum of Understanding
MTR	Mid-Term Review
MWYSA	Ministry of Women, Youth and Social Affairs
OB	Office of the President (Office of Te Beretitenti)
OI	Outer Islands
OIFWP	Outer Islands Food and Water Project

PCD	Project Completion Date
PMU	Project Management Unit
PHD	Public Health Division
PIM	Project Implementation Manual
PPSC	Project Partnership Steering Committee
RIMS	Results and Impacts Monitoring System
RWHS	Rainwater Harvesting System
SECAP	Social, Environmental and Climate Assessment Procedures
SPC	Secretariat of the Pacific Community
SUN	Scaling Up Nutrition
TMEO	Training, Monitoring and Evaluation Officer
TOFMA	Tarawan Organic Farmers and Marketing Organisation
TTM	Taiwan Technical Mission
UNDP	United Nations Development Programme
WUG	Water User Group

A. Project Overview

Region:	Asia and the Pacific Division	Project at Risk	Not at risk
Country:	Kiribati	Status:	
Project Name:	Outer Islands Food and Water Project	Environmental and Social Category:	Moderate
Project ID:	1100001708	Climate Risk Classification:	High
Project Type:	Rural Development	Executing Institution:	Ministry of Finance and Economic Development
CPM:	Candra Samekto	Implementing Institutions:	Directorate General of Village Development and Community Empowerment
Project Director:	not available yet		
Project Area:	not available yet		

Approval Date:	03/08/2014	Last audit receipt:	11/08/2022
Signing Date:	03/09/2014	Date of Last SIS Mission:	24/11/2022
Entry into Force Date:	03/09/2014	Number of SIS Missions:	18
Available for Disbursement Date:	13/03/2015	Number of extensions:	3
First Disbursement Date:	18/03/2015	Effectiveness lag:	1 month
MTR Date:	22/05/2017		
Original Completion Date:	30/09/2018		
Current Completion Date:	30/09/2023		
Financial Closure:	not available yet		

Project total financing

IFAD Financing breakdown	Debt Sustainability Framework	\$2,999,832
	Debt Sustainability Framework	\$3,600,000
Domestic Financing breakdown	National Government	\$1,071,029
	National Government (add)	\$708,000
Co-financing breakdown,	Taiwan	\$0
	Australian Centre for International Agricultural Research	\$148,394
	To be determined	\$1,028,000
	Republic of Korea	\$810,000
Project total financing:		\$10,365,255

Current Mission

Mission Dates: 10/11/2022 24/11/2022

Days in the field: 14

Mission composition: In person: Julian Abrams, Team Leader, Karan Seghal, Environment and NRM Specialist; and Betarim Rimon, Community Development Specialist.
Remote: Zidni Marohombsar, Finance Specialist, Arthur Tantuan, Procurement Specialist.

Field sites visited: Tarawa and 9 Outer Islands: Abemama, Beru, North Tabiteuea and Nonouti islands (original financing) plus Arorae, Nikunau, Onotoa, South Tabiteuea and Tamana Islands (additional financing). 6 days Arorae, North Tabiteuea

B. Overall Assessment

Key SIS Indicator #1	∅	Rating	Key SIS Indicator #2	∅	Rating
Likelihood of Achieving the Development Objective		4.31	Assessment of the Overall Implementation Performance		3.92

Effectiveness and Developmental Focus		4	Project Management		4
Effectiveness		4	Quality of Project Management		4
Targeting and Outreach		5	Knowledge Management		5
Gender equality & women's participation		4	Value for Money		4
Agricultural Productivity		4	Coherence between AWPB and Implementation		3
Nutrition		5	Performance of M&E System		4
Adaptation to Climate Change		4	Social, Environment, and Climate Standards requirements		3

Sustainability and Scaling-up		4	Financial Management and Execution		4
Institutions and Policy Engagement		4	Acceptable Disbursement Rate		2
Partnership-building		5	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		4
Responsiveness of Service Providers		4	Compliance with Loan Covenants		5
Environment and Natural Resource Management		4	Procurement		5
Exit Strategy		3			
Potential for Scaling-up		4			

Relevance		5
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C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

1. The Kiribati Outer Island Food and Water Project (KOIFAWP) was approved by the IFAD Executive Board (EB) on 3 August 2014, and entered into force on 3 September 2014. Total planned project financing of US\$ 9.3 million is made up of an IFAD grant of US\$ 3.0 million, co-financing grant by Australian Centre for International Agricultural Research (ACIAR) of US\$148,000; and a Government of Kiribati (GoK) contribution of US\$ 1.1 million, plus additional financing approved on 28th October 2019 of IFAD grant US\$ 3.6 million, GoK contribution US\$ 708,000 and a grant of US\$ 810,000 from Korea Supplementary Funds (KSF).
2. The planned Project Completion Date (PCD) of 31st March 2023 has been extended to 30th September 2023 by agreement between IFAD and GoK dated 19th August 2022.
3. The Goal of KOIFAWP is that “People living in Outer Island communities have healthy, sustainable livelihoods”. The Project Development Objective is, “Outer Island communities are able to successfully plan and implement investments that result in better nutrition and access to clean water.” The project is implemented by the Ministry of Environment, Land and Agriculture Development (MELAD) in cooperation with other relevant Ministries and the Island Councils (ICs). There is a Project Management Unit (PMU) established in MELAD and financial management and procurement are supported by the Kiribati Fiduciary Services Unit (KFSU) in Ministry of Finance and Economic Development (MFED). The project has three components: (1) Community Planning and Action; (2) Improved Household Food and Nutrition and (3) Rainwater Harvesting for Increased Household Water Supplies.
4. KOIFAWP initially targeted about 1,850 households in the islands of Abebama, Beru, North Tabiteuea and Nonouti. With Additional Financing (AF) from 2020 the project continues support to these communities and also targets about 1,030 households in Arorae, Nikunau, Onotoa, South Tabiteuea and Tamana.
5. IFAD in partnership with GoK conducted a Supervision Mission (SM) of KOIFAWP from 11th November to 24th November 2022. The mission was conducted in hybrid mode with the Team Leader and local consultant present in Kiribati and other team members joining remotely. The purposes of the mission were (1) to assess the operational aspects of the project such as project management and implementation of activities, financial management and disbursement arrangements, monitoring, evaluation arrangements, and the extent to which project objectives have been fulfilled; and (2) agree corrective actions needed for the project to achieve its potential outputs, outcomes and impact.
6. The Mission conducted meetings with MELAD and with its Agriculture and Livestock Division (ALD), with PMU and with project suppliers including Otago and Kiribati Organic Producers (KOP). The mission local conducted field visits and focus-group discussions with Water User Group (WUG) members, local authorities and project staff in Arorae and North Tabiteuea Islands. The draft Mission Aide Memoire was shared with the PMU on 21st November 2022 and was presented at the Mission wrap-up meeting on 23rd November 2022, chaired by Ms. Saitofi Mika, Secretary of Ministry of Environment, Lands and Agriculture Development (MELAD), with representatives of the Project Partnerships Steering Committee (PPSC) in attendance.

Key Mission Agreements and Conclusions

7. The project has continued to make progress towards its objectives and to make up for delays that occurred due to COVID-19. Most planned activities in Component 1 and agriculture activities in Component 2 have been completed. Performance in monitoring and evaluation (M&E), project financial management and procurement has continued to improve.
8. Since the Supervision Mission (SM) of November 2021 and the follow-up mission of March 2022, further delays have occurred in completing the large procurements for equipment needed for Component 2 (financed by Korean Supplementary Fund, KSF) and for materials for the rainwater harvesting systems (RWHS) in Component 3, that were identified as seriously behind schedule. However, most materials and equipment have been received in Tarawa and are in process of shipment to project islands. Orders for outstanding items can be confirmed with suppliers by end November 2022. Based on this assessment, these procurements are expected to be complete by March 2023 and resulting assets fully operational and sustainable by the time of the extended PCD of 30th September 2023. Any further delay would make this very difficult to achieve.
9. Therefore, the focus of the project in 2023 will be (1) completion of activities in progress; (2) preparation for project exit including final evaluation and sustainability.
10. **Key Agreement 1: Outstanding RWHS and KSF Installations to be Completed by March 2023**
11. The project will ensure that all arrangements, including contracts and workplans agreed with contractors, suppliers and shippers, are in place to ensure that all KSF funded processing plants (char briquettes, cocosap sugar and virgin coconut oil (VCO) on Nonouti and VCO on North Tabiteuea) are completed and operational by 31st March 2023. The contracts with Otago (char briquettes plant) and Nonouti), KOP (technical support to cocosap sugar and VCO) will be extended on that basis and to provide for ongoing support / after-sales service from April to September 2023.
12. **Key Agreement 2: Exit Strategy and Final Evaluation**
13. PMU will implement a project exit strategy based on actions indicated in this Aide Memoire to ensure sustainability of project results after the PCD, and will conduct an End-Line survey with IFAD technical guidance. Budget for these activities will be prioritised in preparing the AWPB 2023.

D. Overview and Project Progress

14. **Drought Situation:** the Outer Islands (OI) are severely affected by drought, with very little rain since January 2022. Beneficiaries in North Tabiteuea stated that drought conditions have persisted for two years and are more severe than any they have experienced before. The drought is causing severe challenges for food production and Component 2 agriculture activities. Most RWHS (Component 3) are dry. There is evidence of long-term damage, with even drought-resistant tree crops such as coconut and breadfruit dying in some locations, as observed by the Mission in Arorae and North Tabiteuea. ALD plans to conduct a drought situation survey on all OI in the coming weeks.
15. **Costs of shipping** have increased due to international increases in fuel prices. The main organisation of shippers in Tarawa is in dispute with GoK over the size of the freight subsidy paid for inter-island shipping. This situation risks increased costs and / or further delays. PMU is following the situation closely.
16. **Component 1: Community Planning and Action:** The component outcome is *Communities are planning and prioritising activities in a participatory and inclusive way*. Outputs include 69 Community Development Plans (CDPs), 503 Water User Groups (WUG) formed and 2,640 community members trained in community management topics. These initial targets had been fulfilled or exceeded by the time of the Supervision Mission (SM) of November 2021.
17. The estimated Component cost is \$US 880,829 consisting of \$US 268,629 in Phase 1 and additional financing of \$US 612,200 in Phase 2.
18. Island Councils (ICs) in the five “new” (Phase 2) islands have signed MOUs to support the project. The project deploys one Island Facilitator (IF) and a Community Facilitator (CF) team on each island to support and build capacity of the WUGs. The IF/CF also support Component 2 (Household Food and Nutrition) activities.
19. Final numbers of WUGs and number of IFs/CFs employed at the time of the Mission are summarised in the following table.

Island	Number of WUGs		Facilitators			
	Phase 1	Phase 2	Total	Households	IF	CF
Abemama	73		73	511	1	3
Beru	54		54	290	1	3
Nonouti	66		66	320	1	3
Tabiteuea N	85		85	595	1	3
Tabiteuea S		39	39	262	1	7
Onotoa		47	47	321	1	8
Nikunau		62	62	410	1	10
Tamana		26	26	193	1	3
Arorae		31	31	217	1	4
TOTALS	278	205	483	3,119	9	44

20. AWPB 2022 activities consist of (1) reprioritisation, revalidation and approval by the ICs of 43 CDPs in the original project islands (100% complete) and 35 CDPs in the Phase 2 islands (80% complete); (2) Formation of “mother Water User Groups” (WUGs) at island level; and (3) Refresher trainings on various topics.
21. IF/CF were trained to support WUGs on the process of applying for small grant aid. Eighty-one (81) WUGs applied for small grants (mainly for farming tools) with six application (7%) successful to date. The application process is rather challenging for the WUGs and could be simplified.

22. The highest remaining priority is to complete formation and registration of Mother WUGs. IFs and CFs will work with the Assistant Social Welfare Officer (ASWO) of Ministry of Women, Youth and Social Affairs (MWYS) to achieve this by March 2023.
23. Some WUGs and / or WUG leaders may have become inactive while waiting for RWHS installations. With RWHS complete, the project should verify that all WUG have all officer positions filled, hold regular meetings and have a positive fund balance. Any WUG found to be weak or inactive should be provided with targeted support to ensure that it is fully sustainable by the PCD
24. **Component 2: Household Food and Nutrition** has the Outcome: *Households in the Outer Islands (OIs) are growing and eating more nutritious local foods.* Planned outputs include poultry activities (880 households), 2,113 hh), 67 nurseries and demonstration plots established, 1,760 farmers accessing seedlings from community nurseries, 2,114 hh with targeted support to improve their nutrition, 3,250 persons trained in production practices and 2,120 persons attending nutrition education and cooking classes. Nine Agricultural Assistants (AA) are to be trained and delivering useful services by the end of the project.
25. In addition, the KSF funding supports the establishment of one char briquette production facility on Nonouti, two Virgin Coconut Oil (VCO) production facilities on North Tabiteuea and Nonouti, one cocosap sugar production facility on Nonouti; removal and replanting of up to 4,000 senile coconut palms (23 farmers in Abemama, 40 in Beru, 20 in Nonouti and 24 in Tabiteuea North) and establishment of Integrated Farming System (IFS) sites.
26. AWPB 2022 activities (IFAD Grant) including support to nurseries and school gardens, gardening tools and nutrition BCC activities which include cooking demonstrations, competitions and World Food Day celebrations on each OI are on course for completion. KSF funded AWPB comprise IFS sites and trainings, the cocosap sugar, VCO and char briquette activities and the coconut replanting scheme.
27. **Community Nurseries (CN):** The project has established 177 CN compared to the project target of 67. CN address the lack of planting materials and serve as training and demonstration sites. Active home gardeners receive access to a set of basic tools. The project has worked with ALD to introduce charges for planting materials from the ALD nursery on each island. The CN receive free materials from the ALD nursery and sell multiplied materials. Funds generated by ALD nurseries and CN finance revolving funds for purchase of seeds etc.
28. CN are small and simple installations within the house plot of an interested farmer or one of the IF/CFs. Conditions are from good (a range of different planting materials in production, well-watered, healthy and well cared for) to rather poor, with influencing factors including water availability the skill and commitment of the farmer and the level of demand for nursery products. As observed by previous missions, the 177 CN established exceeds the number needed or that can become sustainable. Therefore, the project has identified 60 CN as having most potential. The 2023 AWPB will focus on assisting these CN to become self-sustaining (meaning, amongst other criteria, that any necessary replacement tools or equipment can be purchased from the funds generated from sale of planting materials).
29. The project has procured 1,266 improved breed cockerels which are being distributed to farmers. Participating farmers must construct a chicken coop and possess female chickens for cross-breeding with the cockerels (880 farmers will receive cockerels). Some sales of eggs and broiler chickens are reported but it is too early to assess the real potential for market-orientated chicken production. One farmer stated that his primary cash-generating product is neither eggs nor broilers, but cockerel feathers which are used as fishing lures.
30. AAs, Nurserymen (NM) and IFs have received refresher training on **IFS** and translated copies of the IFS manual in the four original islands. Five IFS sites are established and a further seven are planned. The Mission was impressed by the commitment of an IFS farmer visited in North Tabiteuea whose activities included pig breeding, fish farming, vegetable (local and exotic), poultry and inter-cropping of tree crops. It is planned to stock the fish pond with tilapia but it is not clear that sufficient suitable feed will be available or that, given the abundance of sea fish, there will be strong demand for farmed tilapia (PMU commented that the intention was to stock with milk-fish for which there is high demand). The experience of the first round of IFS sites should be reviewed and any activities identified as not sustainable or not relevant to the needs of the OI communities should be dropped. IFS sites are established under an MOU with the farmer. These MOUs should be reviewed with each farmer to develop a tailored business plan for financial sustainability and outreach plan to facilitate replication by other farmers. For new IFS sites, the project will ensure that there is sufficient time to complete all planned activities before the PCD.
31. Indigenous crops are more drought-resilient than exotics (cucumbers, tomatoes, cabbage etc). Some farmers have abandoned attempts to grow the exotic varieties. There is a problem with consistent supply of seeds (in most cases the exotic varieties cannot be propagated with harvested seeds). Conversely, there is more market demand for exotic varieties, creating opportunities for those farmers who can grow them successfully. Farmers with real interest and potential to produce exotic vegetables for the market will be assisted to develop business plans for financial sustainability (meaning that they will be able to finance replacement of tools and other inputs from their sales revenues). The project will investigate whether any improvement in seed supply is possible. Meanwhile, the project will continue to encourage all households to grow resilient and nutritious indigenous varieties for home consumption.
32. **Nutrition:** The project has distributed two volumes of recipes of dishes based on nutritious local ingredients and promoted nutrition BCC through training, cooking demonstrations and competitions. Beneficiaries discussed the recipes with enthusiasm and asserted that the increased variety and nutritional value of diets has led to notably improved health of young children including greater activity levels and healthier skin.
33. Materials for the **char briquette plant** have been delivered to Tarawa and arrangements for trans-shipment to Nonouti were being made at the time of the Mission. Otago expects to travel to Nonouti to oversee installation and train operators in January 2023.
34. The project will ensure that the concrete slab needed for the foundation for the plant is in place before the Otago team arrives.

35. Otago will carry out the additional work of overseeing installation of two **improved cookstoves** for cocosap sugar processing. These stoves are of a proven design and can use a wide range of biomass as fuel, so improving the economic viability of the activity. Otago will transfer skills for construction of the stoves, creating the possibility for replication.
36. Otago have proposed a contract amendment with the following key points: (1) extension of time to 31st March 2023; (2) additional cost of \$US 5,000 for engineer's services in overseeing installation of the cookstoves; and (3) next payment to be released on evidence of a confirmed booking for travel to Nonouti (not arrival of the team as currently stated). This last change is considered by Otago to be justified in view of the delays and need for pre-financing of activities that they have experienced so far, and would improve cashflow by allowing the payment to be made in the current financial year and to finance payment for the tickets.
37. Equipment needed for the VCO installations arrived in Tarawa on 22nd November 2022. The equipment will be transported to Nonouti and North Tabiteuea by December 2022. Sheds for the VCO activity have been partially constructed but further work is needed. On North Tabiteuea, this work was in progress during the final week of the Mission. For Nonouti, it will be necessary to transport bricks from Tarawa as there is insufficient material available to make bricks locally. The VCO plants will be operated by a community group on Nonouti and by North Tabiteuea Island Council.
38. For the **cocosap sugar** activity, pH meters, moisture meters and a mechanical stirrer are still needed. Measuring instrument were procured previously but had to be returned due to unsuitable specification; these can be transported by airfreight so replacements should arrive quickly. The stirrer will need sea transport so may take several months to arrive, but production can start using hand stirring. There is a concern about the current high price of cocosap on the OI, driven by the drought and by the high (subsidized) price of copra. KOP reported that so far only about \$AU 500 of the start-up fund of \$AU 10,000 has been disbursed. The primary purpose of the start-up fund is as working capital to finance purchase of raw material. KOP raised the concern that acquittal of advances from the fund will prove challenging for local communities.
39. PMU will work with Otago, KCDL and KOP to develop clear work-plans to ensure that all the processing plants are operational by March 2023. These plans will be shared with IFAD and will support the case for contract extensions for Otago and KOP. PMU, Otago, KCDL and KOP will also prepare work plans for all activities needed to provide support and achieve self-sustainability by September 2023. Contract extensions may be considered for this period if needed. Necessary provision will be made in the AWPB for these work-plans.
40. **Chainsaws** for the coconut replanting activity have been delivered to the OI. The Mission observed one replanting site on North Tabiteuea where about 60 new trees have been planted so far. Some seedlings were supplied by the ALD Nursery, but this has insufficient capacity so the farmer produced seedlings, following advice on seed nut selection from the AA.
41. **Component 3: Rainwater Harvesting for Increased Household Water Supplies** has Outcome: *Households have secure access to a basic minimum quantity of clean drinking water.* The principle output of the Component is 563 rainwater harvesting systems (RWHS). Current status of installation of 278 Phase 1 and 285 Phase 2 RWHS is indicated in the table below.

Islands	RWHS Systems					
	Phase 1		Phase 2			Final Total
	Complete	Materials Supplied	Planned	Materials Delivered	Complete	
Abemama	56	17	21	21	2	94
Beru	54	0	13	13	0	67
Nonouti	66	0	11	11	0	77
Tabiteuea N	85	0	15	15	0	100
Tabiteuea S	0	0	45	45	0	45
Onotoa	0	0	53	53	0	53
Nikunau	0	0	62	62	0	62

Tamana	0	0	33	0	0	33
Arorae	0	0	32	0	0	32
Total	234	44	285	230	2	563

42. Materials have been delivered to seven islands with materials for Arorae and Tamana stockpiled at Tarawa). Some tools required for construction are still in shipment. The shipper has requested a price increase for transport to the last two islands and the Mission Procurement Specialist indicated that this request is reasonable in consideration of increased fuel costs. Shipping is expected to be complete by December 2022 and construction completed by March 2023. In addition, of 44 RWHS on Abemama for which materials were delivered in Phase 1 but construction not carried out, 27 of these systems were subsequently completed on the initiative of the WUGs and the remaining 17 will be completed in parallel with the Phase 2 systems.
43. ICs on 8 islands have recruited Construction Supervisors (CS) whilst South Tabiteuea has recruited a local contractor. CS will be paid on a per-system basis. Kiribati Institute of Technology (KIT) provided training for 553 (target 660) people who are CS, WUG technicians, island staff and other interested people.
44. Each WUG has a Community Water Technician (CWT) who has been trained in basic plumbing and system maintenance tasks. Supply of spare parts is a challenge. Seven ICs have established stocks of spare parts. Abemama and Tamana ICs plan to establish these stocks using 2023 budget resources.
45. By PCD, the project should have a complete and up-to-date inventory of RWHS systems. The inventory should include (1) name of WUG; (2) number of households using the RWHS; (3) geolocation; (4) photograph; (5) comments on condition of system; (6) water quantity (adequate or not); (7) water quality (based on information from users); (8) other comments. The format / contents of the inventory should be discussed in advance with the Ministry of Infrastructure and Sustainable Energy. Much of the required information is already available from quarterly reports. The inventory should be updated in the second quarter of 2023 (allowing time for renewed rainfall to fill the tanks). Based on the inventory survey, any corrective actions (e.g. repairs) needed should be completed before PCD.

Agreed Action	Responsibility	Agreed Date
Finalise Orders for Outstanding Equipment For all outstanding equipment to be imported for the KSF funded activities, suppliers' confirmation of orders should be received by end November 2022. If this cannot be achieved, orders / activities should be cancelled.	PMU, Otago, KOP, KPLF	11/2022
Prepare Work Plans for Completion of Processing Plants PMU with Otago Ltd, KCDL and KOP will prepare detailed, time-bound plans showing all remaining steps needed to achieve operationalisation of the processing plants (char briquette, VCO and cocosap) dates for completion of each step and identified risks that could cause delay. These workplans will be shared with IFAD. Contract extensions with Otago and KOP will be agreed based on these plans.	PMU Otago, KOP, KPLF	12/2022
Review institutional strength of WUGs Review status of all WUGs (e.g. all officers in place and active, regular meetings, positive fund balance) and identify any needing special support to ensure sustainability after project exit	PMU, IF/CFs	02/2023
Formation and Registration of Mother WUGs Complete formation of Mother WUGs	PMU, IF/CFs, ICs,	03/2023
Business Plans for Sustainability of High-Potential Farmers and Nurseries Farmers who have genuine interest and potential for production for the market, and the identified 60 priority community nurseries, should develop business plans to achieve financial sustainability, meaning being able to purchase replacement equipment and inputs using their sales revenues.	PMU, IF/CF, AAs	03/2023

<p>Develop Sustainability and Replication Plan for IFS Sites</p> <p>Review initial experience with IFS sites. In case any activities found to be non-sustainable or non-relevant to needs of the OI communities, eliminate these activities. For each IFS site, review the MOU with the farmer and develop a business plan for financial sustainability and to facilitate replication by other farmers.</p>	PMU, IF/CF, ISF Farmers, AAs	03/2023
<p>Processing Plants to be Operational by March 2023</p> <p>PMU will review all contracts and agreements with suppliers, transporters and technical agencies to ensure that the processing plants funded by KSF become operational by March 2023. This will include extending the contracts with Otago (char briquettes) and KOP (cocosap sugar and VCO).</p>	PMU, Otago, KOP, KPLF	03/2023
<p>Work Plans for First 6 Months of Operations of Processing Plants</p> <p>Prepare plans for support to the KSF funded processing plants in their first six months of operation (April – September 2023) and budget relevant activities in AWPB 2023. Extension of the Otago and KOP contracts to cover this period will be considered.</p>	PMU, Otago, KOP, KPLF	03/2023
<p>RWHS to be complete by March 2023</p> <p>PMU will ensure prompt shipping of remaining materials and tools and implementation of works so that RWHS are complete no later than March 2023.</p>	PMU, shippers, Construction Supervisors	03/2023
<p>ICs to Establish Supplies of Spare Parts</p> <p>Project will work with ICs to ensure that stocks of spare parts for RWHS are available on all islands (Abemama and Tamana currently outstanding).</p>	PMU, IFs, ICs	03/2023
<p>Update Inventory of RWHS</p> <p>A full inventory of RWHS should be prepared and updated by Q2 2023, based on existing available information and update condition survey by IF/CFs. In case any RWHS needs repair, this should be done before PCD.</p>	PMU, IFs, CFs, WUGs	06/2023

E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus

Effectiveness

Rating: 4

Previous rating: 4

Justification of rating

46. Project effectiveness is rated as moderately satisfactory overall which is the same rating as in the previous SM. The project has substantially achieved Outcome 1 (Communities are planning and prioritising activities in a participatory and inclusive way) and has made good progress to achievement of Outcome 2 (Households in the OIs are growing and eating more nutritious local foods). However, Outcome 3, (Households have secure access to a basic minimum quantity of clean drinking water) cannot be considered as achieved while the rainwater harvesting systems (RWHS) have no water in the tanks due to the exceptional drought conditions.

Log-Frame Analysis & Main Issues of Effectiveness

47. The following analysis is based on updated logframe indicators provided by the project and not independently verified. With the project now in its final year, 83% of logframe indicators have reached or exceeded 95% of their targets. In 2021, the project calculated an overall achievement of 69% based on an average of these indicators, without weighting but with indicators that have exceeded the target adjusted to 100%. Repeating this calculation with 2022 data yields a value of 94%. The project is expected to achieve effectively 100% of its planned physical outputs by PCD.

48. The project outreach is 3,744 households, which is 130% of the target and approaching 100% of all households on the nine islands. The project reports that Project Goal targets for improved food security and increased availability of fresh food and drinking water have been exceeded – though this requires to be confirmed by the end-line survey.

49. The Component 1 outcome indicator target of 67 community development plans formulated and updated has been exceeded (79

CDP, or 118%).

50. Likewise, the project reports Component 2 outcome indicators reaching or exceeding target values. Women reporting increased cash income has reached 1,765 (target 1,761) and households reporting reduced expenditure on imported food is 2,147 (target 2,113). Women reporting achieving minimum dietary diversity (MDD-W) has reached 53% as compared to the target of 51% (this indicator was previously lagging).
51. For Component 3 outcome indicators, the project reports a 100% reduction in cases of diarrhoea and dysentery (this figure is clearly suspect and the methodology should be checked) and 2,248 households with improved access to clean water (85% of target 2,641). is expected to fully achieve its targets, assuming no further delay in procurement of materials for RWHS. Percentage of water infrastructure operational and sustainable is stated as 48% of target, but will increase to an expected 100% once the second phase of RWHS are operational.
52. There is now a high level of confidence that the processing plant installations will be completed within the project period, however it is not possible to assess effectiveness or sustainability of these installations. The RWHS will be physically complete by the original planned project closing date of March 2023, but in the current extreme drought conditions these systems are ineffective (the tanks are empty) except in cases where the tanks are being refilled by water pumped from a well or transported from elsewhere on the island. This underlines that, while the RWHS can improve water supplies resilience in the face of a limited drought and can also result in improved water quality (rainwater is typically of better quality and less liable to become contaminated compared to water from wells), RWHS alone cannot overcome a severe, long-term drought condition. Most RWHS installed by the project functioned satisfactorily before early 2022 and it remains to be seen whether there will be a long-term return to these "normal" conditions.
53. The project support to nutritious food production linked to community-level behaviour change communication activities seems to be a notable success, with all communities attesting that they eat a greater variety of foods than previously and have observed real improvements in children's health. Support to agriculture as a cash-generating activity has had more mixed results, although this is to be expected given the challenges faced (limited land area, poor soils, drought, small local markets, no ability to transport produce to urban markets).

Development Focus

Targeting and Outreach

Rating: 5

Previous rating: 5

Justification of rating

54. Targeting and outreach is rated moderately satisfactory (5) which is an increase from the rating of 4 in the previous SM. KOIFAWP works in 9 outer islands of: Arorae, Abemama, Beru, Nikunao, Nonouti, Onotoa, Tamana, North Tabiteuea and South Tabiteuea. Within these Islands, the project targeted 2,880 households at appraisal and has cumulatively reached 3,744 households of which 539 are female-headed households. The project targets to reach 9,000 women (50% of beneficiaries) and reports cumulatively reaching 9,971 women. Therefore it is considered that the project effectively reaches out to its intended target groups and has exceeded its outreach target.

Main issues

55. The project effectively reaches the entire population of the target islands (and awareness of the project on the islands is high). Youth outreach is reported as 35% of the total. Women's participation is reported as 50% or higher for most disaggregated indicators. However, a deeper analysis of data, based on report from the IFs/CFs, should be carried out to verify these figures as part of preparation for the project completion report.

Gender equality & women's participation

Rating: 4

Previous rating: 4

Justification of rating

56. Gender equality and women's participation is rated moderately satisfactory which maintains the rating from the 2021 SM. The project promotes women's participation and contributes to two gender policy objectives (economic empowerment and voice and decision-making). A high proportion (62%) of IFs and CFs are women, as are 8 of 10 current PMU staff. The project reports that 1,106 of the leadership positions in WUGs are occupied by women, representing about 44% of these positions.

Main issues

57. The project has prepared a Gender Strategy and Action Plan which is being implemented.
58. Training on GBV, gender mainstreaming and sensitivity was provided by MWYSSA for project staff from PMU and all nine OI. Community awareness training on GBV is planned for the first quarter of 2023. Further consultation and collaboration on gender issues is planned with MWYSSA, Pacific Indigenous Women's Network and Kiribati Women's Crisis Centre. Project staff have also been trained on Male Champions for Gender Equality and Women's Empowerment and extension of this approach to communities is planned.
59. The household goal setting methodology has been rolled out as agreed in the previous SM and results are reported through the monthly reports of IFs/CFs. Individual households are reported to be achieving goals congruent with C2 and C3 targets.
60. Training on household goal setting has been achieved at 96% of PMU and staff in the outer island. However, there is no indication of the extent of rolling out this methodology to the beneficially households.

61. The project has developed a policy on sexual harassment/sexual exploitation and abuse. The policy (in English) has been disseminated to Project staff and to the ICs. A translation has been prepared and will be submitted to the Ministry of Employment and Human Resources (MEHR) which is responsible for employment policy.

Agricultural Productivity **Rating: 4** **Previous rating: 4**

Justification of rating

62. Agriculture productivity is rated as moderately satisfactory (4) which retains the rating of the previous supervision mission. The project is considered to be leading to a moderate increase in agriculture production.

Main issues

63. Food production in the project target areas (kitchen gardens, tree crops and limited numbers of small livestock) is mainly for home consumption with limited amounts sold within the local communities. The main cash crop is copra which is supported by generous subsidies for policy reasons. With limited water supplies, poor soils, small local markets and very large distances and travel costs to urban markets, the conditions for farming as a business are challenging. The project has focused primarily on improving the nutritional value of kitchen garden crops but has also effected modest increases in productivity through introduction of improved techniques (for example, shade nets, composting etc) though the ongoing drought has made this more difficult. Other productivity-enhancing initiatives include the establishment of community nurseries and the introduction of improved breed chickens. Some initiatives, for example the IFS activities and the coconut replanting scheme, have the potential for larger productivity gains but these initiatives are not yet implemented at scale; for coconut replanting, the benefits will be realised only after about 6 years when the new trees bear fruit.

Nutrition **Rating: 5** **Previous rating: 5**

Justification of rating

64. Nutrition is rated satisfactory (5) maintaining the rating from the previous SM. The Mission found that nutrition-sensitive interventions are well-implemented in all planned activities, following a well-articulated operational plan, with adequate use of resources (both human and financial) and reporting

Main issues

65. Household diets were found contain a higher proportion and greater variety of locally produced food. A study on minimum dietary diversity for women (MDD-W) is updated on a semi-annual basis, with the *IFAD Core Indicator CI 1. 2.8. Percentage of women reporting minimum dietary diversity (MDD-W)* reported as 53%.
66. Regarding *IFAD Core Indicator CI 1.1.8. on HH provided with targeted support to improve their nutrition*, both men and women were targeted for nutrition promotion sessions and a positive impact on nutrition on the outer islands was reported. It is reported that 1,670 men and 1,225 women attended cooking demonstrations; this is a notable achievement.
67. Discussions with project beneficiaries confirmed the project achievement in encouraging production and consumption of a wider variety of nutritious crops, including species that are widespread on the OI but were not previously considered as food. Beneficiaries asserted their enthusiasm for the improved diets and that they have observed a notable improvement in children's health, including healthier skin and increased activity levels.
68. The methodology for calculating and reporting important indicators, particularly those in percentage form, remains unclear. Therefore, these important indicators should be verified through an in-depth analysis of the data from IC/CF reports, conducted as part of the preparation for the project final evaluation.

Adaptation to Climate Change **Rating: 4** **Previous rating: 4**

Justification of rating

69. Adaptation to Climate Change is rated moderately satisfactory (4). Interventions identified in the project document and / or likely to contribute to adaptation in practice include the agriculture activities with strong emphasis on resilient local crop varieties as well as the provision of improved household water supplies. In general, these activities are being implemented as planned with some operational shortcomings. The major challenge currently faced is the effectiveness / sustainability of these activities in severe and extended extreme drought conditions.

Main issues

70. Strengthening the capacity of households to cope with impacts of prolonged droughts in the island is carried out through investments in RWHS (Component 3) that provide households with potable water throughout the year, and through promotion of drought tolerant varieties for home gardens (Component 2). Through the construction of 269 RWHS, the project has achieved 48% of the target and 2,545 households are reported with access to fresh water (90% of target) throughout the year. However, these figures do not appear to take account of the current drought situation which has led to many of the water tanks becoming empty, while others are re-charged by pumping from wells or by transporting water from elsewhere (the ICs operate this service on some islands). Physical investments are complemented with training and awareness raising carried out during the preparation of community development plans, which have integrated simple climate vulnerability analysis at the Island level with corresponding adaptation measures.

71. The current severe drought conditions, accompanied by unusually high temperatures (as perceived by the project target communities) are very likely to be caused at least in part by climate change, with an implied risk that these conditions will occur more frequently or with greater severity in the future and may need additional responses beyond those the project was designed or is able to provide. Increased pumping of groundwater forms a major coping strategy at present. However, the OI groundwater resources consist of shallow lenses of fresh water and need to be replenished by rainfall; increased pumping is already resulting in increased salinity in some areas. This situation constitutes a major long-term threat to the island communities. Possible adaptive measures include adoption of water-saving measures for garden production (possibly simple drip irrigation equipment or a method using hessian sacking which is promoted by ALD) and, for extreme need, installation of simple, robust desalination plants.

b. Sustainability and Scaling up

Institutions and Policy Engagement	Rating: 4	Previous rating: 4
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Justification of rating

72. Institutions and Policy Engagement is rated 4 (moderately satisfactory) which maintains the rating of the previous SM. The project has continued to strengthen the framework for community planning, community management of assets through WUGs and effective support from the ICs and has had some modest successes in policy advocacy based on lessons learned (e.g. the introduction of charges for planting materials from the ALD Nurseries). The PPSC is somewhat more effective as a forum for policy dialogue. The project has been active in advocacy and dissemination of knowledge. However, clear policy impacts enhancing sustainability of the project outcomes are not yet seen.

Main issues

73. Institutional achievements of the project at the OI level include: formal MOUs with ICs, endorsement of CDPs by ICs, establishment of WUGs and beginning process of registering Mother WUGs with ICs and MWYSSA, enabling them to access grant funding. Further targets are to complete the Mother WUG registration and integration of CDPs into the Island Council Strategic Plans.
74. Political support has been demonstrated through cooperation with MIA in preparing the MOUs and through Minister level participation in endorsement of the CDPs.
75. The highest policy engagement objective of the project should be to seek support for institutionalisation of the community development approach and, in particular, integration of the IF role into the technical staff of the ICs. This would require a modest budget commitment from GoK.
76. The project should also seek to promote dialogue on policy changes which would facilitate the development of productive, market-led agriculture on the OI. Currently, the copra subsidy scheme appears to be operated in a way that disincentivises other economic activities, although this is a complex issue that requires exploring rather than advocacy for pre-determined solutions.
77. The project should make further efforts to bring key policy-relevant lessons of KOIFWP to the attention of political leaders through Cabinet Papers which is the officially accepted format for such submissions. Policy advocacy through Cabinet Papers should be backed by openly disseminated advocacy material in printed and in web page format.

Partnership-building	Rating: 5	Previous rating: 5
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Justification of rating

78. Partnership-building is rated as Satisfactory (5), maintaining the rating of the previous mission. This rating recognises the broad range of partnerships with Government and non-government entities that has been formed to implement the project.

Main issues

79. In addition to MELAD, seven Ministries have partnership roles in implementing the project: these are Ministry of Internal Affairs (MIA, responsible for overseeing the Island Councils), Ministry of Health and Medical Services (MHMS, cooperating on nutrition and on water and sanitation issues); MWYSSA (providing trainers for WUGs and formation of Mother WUGs); Ministry of Infrastructure and Sustainable Energy (MISE, approving construction drawings and training Construction Supervisors); Ministry of Commerce (MoC, training on financial literacy and proposal writing); Ministry of Education (MoE, awareness raising on native crops and establishment of school gardens); and Ministry of Fisheries and Marine Resources Development (MFMRD, fish farming technique).
80. Other government agencies with project implementation roles include Kiribati Institute of Technology (KIT) providing trainings to WUG on community management and development and on RWHS maintenance, the Climate Change Unit and the Meteorological Office which has begun providing rainfall data and advice to improve management of the RWHS.
81. The ICs are key partners in all activities on the OI and are recognised as key to the sustainability of the project outputs.
82. The project cooperates with UNICEF on nutrition educational materials and for training on nutrition, water and sanitation (training completed, with refresher planned for 2023). The Project has disseminated the results of ACIAR research on edible local plants, leafy vegetable and on composting to the beneficiaries.
83. At local level the project works with church groups to spread information and encourage beneficiary participation.

84. There are two major non-government sector implementation partners in Component 2: Kiribati Organic Producers (KOP) responsible for the Coconut Sap Sugar initiative, and Kiribati Copra Development Ltd, implementing the Virgin Coconut Oil activity.

Human and Social Capital and Empowerment	Rating: 5	Previous rating: 4
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Justification of rating

85. Human and Social Capital and Empowerment is rated as Satisfactory (5) which is an increase over the rating of 4 at the time of the previous Mission. The Mission observed that poor rural women and men are being supported to develop and their organizations, particularly the WUGs, were strengthened, allowing them to gain some control over economic relations and institutions and actively participate in local decision-making processes. Project beneficiaries are now in a better position to gain access to essential social and productive services.

Main issues

86. The project has performed strongly at forming WUGs as grassroots organisations with a strong user ownership and enabling capacity both to manage the RWHS (the direct function) and to support community mobilisation for planning, mutual support for kitchen garden and nutrition activities and limited advances in marketing of surplus produce. Formation and registration of the WUGs has enabled the local community groups to apply for grant support from non-project sources, with some early examples of success. The WUGs enable engagement of the communities in dialogue with the ICs and with government and private service providers. Individual WUG members and also the IF/CF team members who are recruited within the target communities have gained in experience, knowledge and self-confidence. A high proportion of the IF/CF teams are young women who traditionally would have limited expectations of professional work or a public role.
87. In addition to the WUGs, the project has supported formation of seven Youth organizations and 9 Women's organizations and has provided trainings on a wide variety of topics. In its final year the project will support the formation of Mother WUGs which should further enhance the social capital and empowerment of the communities.

Quality of Project Target Group Engagement and Feedback	Rating: 5	Previous rating: 4
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Justification of rating

88. Quality of beneficiary participation is rated as satisfactory (5) which is an increase over the rating of 4 at the previous SM. The project maintains a high level of engagement with the beneficiary communities through the WUGs, the IF/CF network and the ICs, and has a well-developed mechanism for feedback through the quarterly reporting system.

Main issues

89. The target OI are small communities and the project has a relatively large network of facilitators (IF/CF) recruited from within the communities (arguably there are more facilitators than is really justified, but one result is a high level of engagement with communities). There is a high level of awareness of the project. The majority of households in the communities are member households of the WUGs which manage the vital community asset of RWHS as well as providing a focus for food system and livelihood activities. The IFs/CFs manage community nurseries which are an important community asset. Therefore the project has a high profile and level of engagement with the communities overall.
90. Beneficiaries are able to participate actively through the WUGs and through the community planning process which includes annual re-validation of plans. Beneficiaries can provide feedback directly through the IFs/CFs and through the Island Councillors who participate in and support project activities.
91. Beneficiaries participate in and contribute to physical outputs including construction of RWHS as well as in agriculture activities and in the nutrition behaviour change communication campaign which relies heavily on community activities and events including cooking demonstrations, competitions etc.
92. The project has developed a grievance redress mechanism as a way of receiving feedback from the beneficiaries. This involves beneficiaries completing a grievance form and dropping it in a suggestion box, which are placed at the island councils. The forms are then submitted to the PMU who are supposed to provide responses within a week. Closing the feedback loop is important in order to maintain confidence with the beneficiaries. 20% of the of the feedback forms registered some form of complaints while 80% had positive feedback. The complaints registered included, delay in the installation of rainwater harvesting systems; insufficient number and poor standards of agricultural tools provided, availability and performance of CFOs and insufficient seeds for the nurseries.
93. The project carried out survey on beneficiary satisfaction in 2021 with implementation of the project activities in the outer islands. The survey covered 50% of the WUGS and responses showed high satisfaction, the lowest being satisfaction on level of consultation, information and involvement which was at 83%. A follow-up survey is planned for early 2023.

Responsiveness of Service Providers	Rating: 4	Previous rating: 3
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Justification of rating

94. Responsiveness of service providers is rated as moderately satisfactory (4) which is an increase compared to the rating of (3) in

the previous SM report. The increase in rating recognises that important service providers, notably KOP and Otago, have made considerable efforts to overcome the challenges faced in implementing the important KSF funded processing activities. The performance of service providers to the project overall remains of variable quality, mitigated somewhat by the difficulties faced by service providers.

Main issues

95. The project is delivered mainly through direct implementation by PMU staff and the IF/CF teams (who are project employees) with service providers playing a role in specific activities, often outside the framework of a long-term contract or agreement. KOP is an important contracted service provider for the cocosap sugar activity. Otago's contract is a hybrid of equipment supply and service provision roles KCDL provides services for the VCO activity without a formal contract agreement or MOU but PMU pays expenses of KCDL staff supporting the project on an ad hoc basis.
96. The project implementation experience from Phase I shows that Tarawa-based service providers struggle to operate effectively in the Outer Islands.
97. Service providers for other activities are mainly public sector agencies. These include Kiribati Institute of Technology (KIT) which provided training for construction supervisors for the RWHS construction and Ministry of Fisheries and Marine Resource Development which provided training on aquaculture. MWYSA provided support for formation and registration of the Mother WUGs. Some of these efforts have proceeded slowly reflecting COVID restrictions as well as the logistical difficulties of organising activities on the OI,
98. At central level the project uses a service provider firm (Ruby's Accounting) to support the procurement function in PMU. The project has an MOU for support to financial management and procurement from Kiribati Financial Services Unit (KFSU) located in Ministry of Finance. The KOIFWP Finance Officer is an employee of KFSU which also provides supporting services.

Environment and Natural Resource Management	Rating: 4	Previous rating: 4
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Justification of rating

99. Environment and natural resource management is rated as moderately satisfactory (4) which maintains the rating of the previous SM. There is no evidence of harmful effects of the project on the natural resource base and some evidence of modest reduction in pressure on the natural resource base arising from the introduction of appropriate, sustainable agriculture practices and from the construction of RWHS which supplement the natural water storage capacity of the OI's fragile but vital groundwater lenses.

Main issues

100. Project agriculture activities are small scale, appropriate to the fragile environments and natural resource bases of the OI, and do not require use of agricultural chemicals. The project emphasises cultivation of naturally occurring or traditionally established crop varieties, There has been limited introduction of exotic vegetable species (cucumber, tomato etc) but this does not appear to entail any significant environmental risk or threat to the natural biosphere. Likewise, introduction of freshwater fish species (whether or not it is a viable activity) does not entail any risk of the fish spreading into the natural environment.
101. Water supplies on the OI are highly fragile and dependent mainly on the storage capacity of a small freshwater lens lying above a saline groundwater level. During dry periods the island communities rely on this fresh water resource for consumption and for watering crops. Longer and more severe drought conditions raise the risk that this resource could become depleted, In principle, adding artificial storage capacity (rainwater tanks) supplements and helps to protect the natural resource.
102. The project could do more to improve the efficiency of water use in agriculture. Crops are typically watered by hand pouring from containers, which is a highly wasteful method. Introduction of simple, appropriate water conservation techniques – which might include small drip systems, increased use of shade netting to reduce evaporation, or methods such as the use of hessian sacks to retain soil water, should be a high priority in future project interventions.

Exit Strategy	Rating: 3	Previous rating: 3
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Justification of rating

103. Exit Strategy is rated as Moderately Unsatisfactory (3), maintaining the rating of the previous mission. No progress has been made in preparing a formal exit strategy despite the agreement of the previous SM.

Main issues

104. Although there is no formal exit strategy in place, there is a strong basis for sustainability of the project outcomes through the grassroots institutions (WUGs) created by the project, the support of the local authorities (ICs) and the commitment of the beneficiaries.
105. KOIFWAP exit strategy should seek to ensure sustainability of the project impacts in four areas: physical investments, institutions, behaviour change and policy impact.
106. The largest set of physical investments is the RWHS. The highest priority is to ensure that all these systems are completed well before project closing so that WUGs gain experience in operating and managing them while they still have support. Ensuring that ICs take responsibility to support WUGs, including maintaining or facilitating access to a stock of spare parts, is essential. The

Mother WUGs should form a link between the WUGs and the ICs and play an active role in supporting WUGs, they should not just be on-paper structures to gain legal recognition and access to grant funds.

- 107. Community nurseries (CN) were intended to become self-sustaining through revenues from sale of planting materials. The agreement for the ALD nurseries to charge for materials instead of giving the away for free as was the previous practice is a major step towards this. However, the number of CN created was far too large for sustainability. The project has recognised this and identified 60 CN to become fully sustainable. Revenues are being collected but there is some way to go before these CN can fully fund replacement equipment and inputs as well as provide an income for the operators.
- 108. After long delays, the char briquette, cocosap sugar and VCO plants are expected to become operational by March 2023, six months before the PCD. It will be vital for the project to use this time on a structured workplan to bring the plants to full self-sustainability.
- 109. Institutional sustainability of the WUGs is a critical condition for sustainability of both the RWHS and the Community Nurseries. The project should continue its programme of WUG strengthening through the remaining project period and complete the process of formation and registration of Mother WUGs. The Mother WUGs should form a link between the WUGs and the ICs and play an active role in supporting WUGs, they should not just be on-paper structures to gain legal recognition and access to grant funds. The project explored the option of WUGs opening bank accounts with ANZ bank but this proved not to be possible because of the lack of banking facilities and unwillingness of ANZ to allow WUG to operate accounts in their own name. Some WUGs have accounts with the IC while others manage their funds in cash.
- 110. Community Development Plans have been shared and endorsed by the ICs. Discussions for integration of the CDPs into the development plans of the ICs are ongoing. Two ICs have appointed Councillors as focal points for agriculture and these focal points cooperate closely with KOIFWP.
- 111. Efforts should continue to find a pathway for employment of IFs by the ICs in an island community development officer role.
- 112. Sustainability of nutrition behaviour change will depend on support from stakeholders including schools, church groups etc. The project should make efforts to ensure that messages on health, nutrition and diet are well understood by these stakeholders and actively promoted.
- 113. The project should continue efforts to ensure that relevant development approaches and lessons learned from KOIFWAP are integrated into the policy process. This should include preparation of a series of policy briefs (short, well-produced papers of approximately two pages length, also formatted as web pages) on selected topics of high importance.

Potential for Scaling-up	Rating: 4	Previous rating: 4
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Justification of rating

- 114. Potential for scaling up is rated as moderately satisfactory (4) which maintains the rating of the previous mission. Government agencies and development partners have shown some interest in replicating parts of the project methodology in Kiribati or elsewhere (including within the forthcoming SIFWAP project). The project has made efforts to more consistently document elements with scaling up potential.

Main issues

- 115. The main potential for scaling-up of KOIFWAP within Kiribati is through replication of the methodology on additional islands. There are about 7 islands in the central Kiribati region that have similar climate, environmental, social and economic conditions to the project islands. The Island Councils in these islands are aware of KOIFWP and have indicated their desire for a similar project. The upcoming SIFWAP project may partially meet this demand. Lessons from KOIFWAP can also be usefully applied in other atoll island environments in the Pacific Islands Countries (PICs).
- 116. The methodology of KOIFWAP has been proven as highly relevant to the needs of small, isolated and difficult-to-reach island communities, particularly those with limited access to water for domestic needs and agriculture and challenged by climate change. The relevant characteristics of the KOIFWP target communities are shared by other islands of Kiribati and the other island nations of the Pacific.
- 117. Rather than replicate the KOIFWAP methodology exactly, scaling-up project should build upon the KOIFWAP methodology and on key lessons learned. Adjustments could be made in areas including the community planning approach, selection of investments and technical design of water supplies. In response to the current drought emergency, future project initiatives should give greater priority to conservation of water used in agriculture, and in increasing the climate resilience of water supplies for domestic use.
- 118. The project completion report should include an honest evaluation of the success and potential for replication / scaling up of each of the main project initiatives, including observations on potential improvements in methodology or technique that could be adopted.

c. Project Management

Quality of Project Management	Rating: 4	Previous rating: 4
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Justification of rating

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119. Quality of Project Management is rated as 4 (Moderately Satisfactory) which maintains the rating of the previous SM. The PPSC does not function effectively in resolving problems and providing guidance on implementation issues. The PMU is ably led by the Project Director. There has been significant turnover of staff and periods when key positions have not been filled and / or key staff have been sick or unable to work, leading to delays in important management actions. In particular, it is noted that as the FO is supplied by KFSU and the PO is supplied by [name of firm] these agencies should provide covering staff for any extended periods when their staff are unable to work through sickness.

Main issues

- 120. The **Project Partnership Steering Committee** met 3 times in 2021 but only once so far in 2022. Meetings can successfully facilitate decisions on specific topics but otherwise have limited effectiveness as those attending are usually junior alternate staff with little knowledge of the project.
- 121. PMU has twelve staff positions funded under the 2022 AWPB: these are the Project Director, three Component Managers, the Component Assistant (CA), the Finance Officer, the Finance and Administration Assistant, the Procurement Officer (hired through a firm), GYO, CMKO and two Training, Monitoring and Evaluation Officers (TMEO).
- 122. One TMEO position is vacant and the second TMEO is currently serving a notice period. One of these positions will be replaced with duties to focus on support to final evaluation and project exit. As noted above, the CKMO and GYO positions are being consolidated. The CA position is vacant and will not be filled.
- 123. PMU is in process of preparing the AWPB for 2023, financing activities up to the extended PCD date of 30th September 2023 and the financial closing date of 31st March 2024. The AWPB 2023 will be reviewed for consistency with agreements contained in the Mission AM.
- 124. During the SM of November 2021 it was agreed that the Project Implementation Manual (PIM) would be updated with assistance from IFAD. Due to intervening events, this assistance was not provided and the PIM was not updated. Given the short remaining life of the project, updating the PIM will no longer serve a purpose and so it was agreed that this activity should be dropped.
- 125. On more than one occasion, delays have occurred in clearing goods delivered for the project from Tarawa Port. The port has limited storage space and charges significant fees (\$AU 200 per container per day) for goods not cleared and removed within a specified period. On at least one occasion, Kiribati Ports Authority issued a waiver for fees amounting to \$AU 74,250 but may not be willing to do so again (the waived amount is considered as GoK counterpart financing of the project). Therefore, it is essential that PMU promptly initiate the correct procedures for clearance of any goods shipped to Tarawa Port in the future.

Agreed Action	Responsibility	Agreed Date
AWPB 2023 to Include Project Exit, Final Evaluation and Closing Activities The AWPB 2023 will include budget for project exit and evaluation activities agreed in this AM, for orderly exit of the project, project reporting and other activities needed up to the financial closing date of 31st March 2024.	PMU, IFAD	12/2022
Ensure Prompt Clearance of Materials from Tarawa Port PMU will ensure that clearance procedures are executed promptly and correctly to avoid incurring charges for over-time storage at Tarawa Port for any future shipments.	PMU	

Knowledge Management **Rating: 5** **Previous rating: 5**

Justification of rating

126. Knowledge Management is rated as Satisfactory (5) which is an increase over the rating of 4 by the previous mission. The increased rating reflects that the project now has a Knowledge Management Plan which is actively implemented, with knowledge collected, transmitted and disseminated through a variety of channels (see below). Lessons and good practice are analysed, documented and used in project implementation, are discussed and shared with project stakeholders, brought to higher levels and shared with broader audiences. However, this performance is at risk if momentum is lost due to the imminent departure of the CKMO.

Main issues

127. The project Knowledge Management Plan (KMP) was completed and is being implemented. The project has improved its online presence and advocacy activities through print and social media, and compiles case studies, lessons learned and success stories, particularly on nutrition. The project has not prepared publicly available Policy Briefs (as previously agreed) but instead submits Cabinet Papers which are treated as confidential – hence the Mission was able to examine the format but not the content of these papers. Ongoing KM activities include fortnightly radio broadcasts, weekly publication of newspaper articles, production of pamphlets and sharing lessons with target communities. The project Communications and Knowledge Management Officer (CKMO) has recently resigned and the responsibilities have been added to the TOR of the Gender and Youth Officer (GYO). PMU will ensure that this personnel change does not negatively impact these ongoing activities.

Value for Money **Rating: 4** **Previous rating: 4**

Justification of rating

128. Value for Money is rated as Moderately Satisfactory (4) which maintains the rating of the previous SM, based on an assessment that the project outputs represent satisfactory value for money. The available information is not sufficient to support a quantitative analysis. The project is expected to deliver its planned outputs within the available budget (in fact, the projected number of RWHS, representing the most intensive capital investments, is actually somewhat higher than foreseen in the Additional Financing document).

Main issues

129. The major investments by the project are in community planning and in water supplies systems for domestic consumption. Quantitative analysis of the value of these investments is inherently difficult. The agriculture and nutrition investments in Component 2 result in increased output of crops and processed products, but much of the output is for home consumption and is not traded.

130. The project completion review should include a value for money analysis based on best practice examples of studies of previous projects presenting similar measurement issues (i.e. a conventional cost-benefit analysis is likely to have limited relevance). A value for money analysis of KOIWFAP using appropriate techniques could form a basis for value-for-money assessment of similar projects in future.

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

131. Coherence between the AWPB and implementation is rated as Moderately Unsatisfactory (3), which maintains the rating of the previous mission. The majority of activities in the AWPB 2022 are on target for completion (Appendix 2). However, there are problems in meeting targets for the major investments in processing plants financed by KSF (Component 2) and for the RWHS (Component 3).

AWPB Inputs and Outputs Review and Implementation Progress

132. The AWPB as provided to the Mission consists of a budget and a table of physical output targets which is the basis of the table in Appendix 3. The AWPB lacks some important details, notably targets for construction of the RWHS, presumably because this activity was carried over from 2021. The AWPB provides targets for procurement of the materials for the processing plants (which are shown as 100% completed, as materials have now been procured and shipped to Tarawa) but not for installation and operationalisation of the plants, which will not be completed till Q1 2023.

133. The AWPB could be improved by identification of key physical output targets for each component and by tracking progress towards those targets. More use could be made of Gantt-chart style workplans to define expected progress and to track and compare actual physical progress.

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

134. Performance of M&E System is rated as Moderately Satisfactory (4) which is an increase over the rating of 3 by the previous SM. The M&E system is effective in timely reporting of outputs and activities and has largely overcome the difficulties that previously hampered transmission and processing of information from the OI. The project regularly monitors and reports on outcome-level indicators although there is a need to review the methodology being used for some indicators. PMU informed the mission that, with much more data available than previously, it needs assistance on improving capacity for in-depth analysis of the data.

M&E System Review

135. The M&E system has continued to function well following adoption of the Kobo Toolbox to digitise its reporting system from the field. The project still faces challenges in analysing the data collected. It was agreed that, as part of the final project evaluation, IFAD will provide technical support to PMU for additional, in-depth analysis of the data. This support can be combined with support for design of the end-line survey.

136. The project continues to collect data on Minimum Dietary Diversity for Women (MDD-W) with the report for the first six months of 2022 showing notable improvement over earlier findings.

137. The End-Line Survey should be carried out in Q2 of 2023. As agreed in the previous SM, IFAD will provide technical assistance for design of the endline survey. Data collection will be by project staff (IF/CFs) but these staff should be carefully trained by an M&E specialist to ensure quality of data collected.

Agreed Action	Responsibility	Agreed Date
End-Line Survey and Data Analysis The project end-line survey will be conducted Q2 2023. IFAD will provide technical support to PMU for design of the survey and also for in-depth analysis of data collected in the monthly reporting from IFs/CFs.	PMU, IFAD	06/2023

Social, Environment, and Climate Standards requirements

Rating: 3

Previous rating: 4

Justification of rating

138. SECAP requirements are rated moderately unsatisfactory (3) which is lower than the rating of 4 by the previous SM. The reason for the reduced rating is that the revisions to the ESMP, agreed at the previous SM, have not been operationalised (rating criterion: Social, Environment and Climate Standards/requirements not operational and/or not properly integrated into the project procedures). However, there is no evidence of significant negative environmental or social impacts of the project. Climate change risks are evident in the current drought emergency which is having a negative impact on effectiveness of agriculture and water supplies activities of the project.

SECAP Review

139. The project is classified as environment and social (E&S) category B and an Environmental and Social Management Plan (ESMP) was prepared during the design phase of the Additional Financing. The PMU continues to implement, monitor and report on some E&S mitigation measures, particularly those that are embedded in activities under Component 1, 2 and 3. Community engagement in preparing CDPs, women participation in project activities and training on nutrition to create awareness on its importance, are mitigation measures that continue to be satisfactorily implemented and monitored by the PMU including the Grievance Redress Mechanism.

140. In the SM of November 2021 it was agreed that the ESMP should be updated with information that is relevant to the project activities remaining to be implemented in the final two years of the project. It was noted that biological indicators that track the prevalence of waterborne diseases (particularly diarrhoea and dysentery) and weather patterns (by the Meteorological Services Centre) were monitored by the project but relevant risks and impacts are not included in the ESMP.

141. A revised draft of the ESMP was prepared but has not been finalised and operationalised. The 2021 SM agreed that one or two indicators from the ESMP should be integrated in the project logframe; PMU points out that the logframe includes five indicators in common with the ESMP.

142. Given that the PCD falls 10 months after the current SM, there is little value in operationalising the revised ESMP at this stage. Instead, the project completion evaluation should include an assessment of the actual environmental, social and climate change impacts of the project, which should be reported in the PCR.

143. The project has developed a Grievance Redress Mechanism (GRM) which is currently operational.

144. **Climate Risks:** As note elsewhere in this report, the target islands have experienced drought conditions since early 2022 (beneficiaries on North Tabiteuea stated that the drought began in 2021). Elder community members stated that they have not experienced a drought of such length and severity previously in their lives. Community members also commented on the perceived increase in temperature / intensity of sunlight. These conditions have resulted in the RWHS tanks becoming dry except for those that are refilled by pumping from wells or by transporting water from elsewhere (some ICs provide this service). Kitchen garden crops have suffered from high temperatures and lack of water. Watering crops requires increased effort as more water is needed and in some locations it is necessary to bring water from further away (e.g. because a nearby well has become saline). The main coping strategy of the communities is to increase pumping of groundwater but this is a limited resource which also requires rainfall for recharge. Groundwater and well water has become saline in some locations. Conditions vary considerable, even over short distances, but the Mission observed areas on both Arorae and North Tabiteuea where coconut palms and breadfruit trees – both resilient varieties that tolerate brackish water – are distressed or dying.

145. The current severe drought conditions and high (perceived) temperatures are very likely to be caused at least in part by climate change, with an implied risk that these conditions will occur more frequently or with greater severity in the future. OI groundwater resources consist of shallow lenses of fresh water and need to be replenished by rainfall; increased pumping is already resulting in increased salinity in some areas. This situation constitutes a major long-term threat to the island communities. Relevant adaptive measures should be considered as a high priority for any future available funding. Priority adaptive measures should include (1) adoption of water-saving measures for garden production (possibly simple drip irrigation equipment or a method using hessian sacking which is promoted by ALD) and (2) resilient domestic water supplies which could include simple, robust desalination plants, solar water pumps for recharge of tanks and additional rainwater harvesting tanks (these could include fitting guttering and tanks to public buildings, many of which have large areas of metal roofing and no provision for rainwater harvesting).

Agreed Action	Responsibility	Agreed Date
Assess Project Environmental and Social Impacts As part of the final evaluation of the project, environmental and social impacts will be assessed based on the risks identified in the ESMF.	PMU	06/2023

d. Financial Management & Execution

Acceptable Disbursement Rate	Rating: 2.0	Previous rating: 3
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Justification of rating

146. automatically calculated by Nov 2022

Main issues

147. As of the mission, disbursement for IFAD additional grant of \$US 3.600 million is 57% that is amounting \$US 2.056 million (\$AU 2.976 million), which included outstanding advances to designated account of \$US 413.96 thousand. The KSF grant disbursements totalled \$US 368.74 thousand (\$AU 524.87 thousand), which also included outstanding advances to designated account of \$US 151.33 thousand or 45% of the approved amount of \$US 810 thousand.

148. Withdrawal Applications (WA's) for replenishment of advances that were used for payment of expenditures in the quarter ended September 30, 2022, totalling \$AU 506.80 thousand (\$US 346.70 thousand) for the IFAD additional grant (WA No. 13) and \$AU 117.61 thousand (\$US 80.45) for the KSF grant (WA No. 14) were uploaded in the ICP and being processed for payment by IFAD. Disbursements are then expected to increase to approximately 67% and 55% for the IFAD and KSF grants, respectively upon IFAD review and approval of the IFR and WA's.

149. As of 31 October 2022, actual utilization rates are 58% for the IFAD additional grant and 29% for the KSF grant. Further delays were encountered during the year in shipping and completing large procurements as noted by the mission. Nonetheless, all current commitments with total outstanding balance of \$AU 1.29 million are expected to be fully delivered and payable by yearend. The Project is also anticipating that both grants will be fully disbursed and utilized by the financial closing date considering price escalations in fuel and freight costs affecting current commitments. Adjustments are being done to current budget to be reflected in cash projections and 2023 AWPB. The project was advised to consider requesting for additional advances to the designated account in consultation and close coordination with the IFAD FO to ensure liquidity.

Agreed Action	Responsibility	Agreed Date
Submission of cash projections Submit project cash projections up to financial closing date of 31 March 2024 for IFAD review.	PMU-FO	11/2022
Increase disbursement rate Procurement and disbursement for project activities should speed up but still ensure the quality of FM.	PMU	

Fiduciary aspects

Quality of Financial Management	Rating: 4	Previous rating: 4
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Justification of rating

150. Moderate shortcomings remain in the implementation of project financial management arrangements.

Main issues

Organisation and Staffing: The Project has endeavoured to maintain adequate financial management structure and arrangements with continuing backstopping support from the IFAD Finance Officer as was agreed in the previous mission.

Budgeting: Annual budgets are available for project activities, but monitoring of actual expenditures not fully effective, and significant variations need stronger and consistent follow up. Nonetheless, as of the mission, outstanding current commitments of AU\$1.98 million are expected to be fully delivered by year-end.

The 2023 AWPB that is due for submission must also provide for adequate costs of winding-up activities from the extended project completion date of 30 September 2023 up to the financial closing date of 31 March 2024 such as salaries and allowances of key project staff, limited operating costs, Audit, and project completion report.

Funds Flow: Fund flows from all financing sources have been disbursed accordingly except for certain delays encountered in payment to suppliers due to various reasons that are being addressed by the Project. WA #'s 13 and 14 for replenishment totaling

AU\$624,409.46 are presently being processed in ICP. The replenishment is intended for payment by yearend of all outstanding balances of current commitments totaling AU\$1.29 million.

Internal Controls: Appropriate internal controls over most project expenditures and assets are in place with some exceptions. The Project had reported that outstanding advances to FSPK as raised in the previous mission were already resolved. Other previous FM agreed actions were also implemented. The Project is currently processing refund to designated account of \$AU 20 thousand in tax payments using grant funds. While the Project has reported that it had addressed ineligible expenditures, it has still to provide IFAD with the appropriate documentation.

Accounting and Financial Reporting: Accounting is generally reliable and accurate, and adhere to acceptable or equivalent accounting standards. The Project nonetheless should closely attend to IFAD and ICP requirements for accurate and timely submission of WA's and quarterly interim financial reports (IFRs) that are due within 45 days after the end of each quarter to ensure liquidity and satisfactory compliance with financial reporting requirements.

IFAD had received the 2021 Audit report with unqualified Audit opinion by the Kiribati Audit Office on 11 August 2022. For the year 2022, the Project is reminded to submit the Audit report no later than 30 June 2023 and the unaudited financial statements on or before 30 April 2023.

Agreed Action	Responsibility	Agreed Date
<p>Asset management</p> <p>KFSU to prepare a comprehensive asset register to record assets held at PCU, KFSU, Outer Islands (CFOs, IFs, AAs) and beneficiary groups. The Finance Officer at KFSU to ensure that a verification count of all equipment recorded in the fixed asset register is performed before project completion date. FSPK to prepare an asset register which includes all assets purchased under KOIFWP. PCU and FSPK to discuss with MELAD on procedures for handing over of project assets at PCD.</p>	KFSU FO / Procurement Assistant	06/2018
<p>Staff performance review</p> <p>PMU and KFSU to review the performance of the Finance Officer (FO) during the probation period and take appropriate staff action with a view to ensuring that the TOR of the FO can be fully and adequately fulfilled in future.</p>	PMU	01/2021
<p>Interim report</p> <p>Interim financial report submitted to IFAD on time</p>	PMU, KFSU	02/2021
<p>Training to FO</p> <p>FO should have training sections on IFAD disbursement procedures, financial reporting, FM management. Training and support from Accounting Software firm on utilizing all the functions of the software and clearing the gap in 2019.</p>	PMU	02/2021
<p>Budget monitoring</p> <p>Budget shall be loaded to accounting software, budget report is accurately issued.</p>	PMU	02/2021
<p>Implementation of accounting software</p> <p>Consider to hire FM consultant, Accounting software company to support. Accounting software is fully utilized, financial transactions are timely entered with available reports to meet IFAD's requirement</p>	PMU, KFSU	03/2021
<p>Full implementation of Service Agreement with KFSU</p> <p>The service agreement with KFSU is to be fully implemented, with KFSU ensuring quality and timeliness of financial management and procurement. FO is to be based at and work under effective supervision of KFSU, with attendance at PMU 1 – 2 days per week.</p>	PMU, KFSU, MELAD, MFAD	03/2021

Implementation of PIM FO goes through PIM to ensure current FM operation aligned to PIM	PMU	06/2021
Incorrect reporting for source of financing Review transactions posted to bank accounts in accounting software to distinguished source of financing.	FO/KFSU/PMU	12/2021
Resolution of ineligible expenditure MFED is currently conducting the inspection to FSPK on the advance provided in phase 1, and inform IFAD on the outcome	PMU/KFSU	12/2021
2022 AWPB Obtain No Objection from IFAD for 2022 AWPB	PMU, IFAD	12/2021
Capacity building to Finance Officer Training to FO on the disbursement procedures and reporting requirements	FO/PMU	03/2022
Internal Audit Inform IFAD on internal audit result performed by MFED in Oct 2021	PMU	03/2022
Refund VAT of phase 1 Working with Taxation authority on the refund of VAT in phase 1 and ensure future expenditure will be VAT exclusive.	PMU	03/2022
Expenditure reporting SOE and budget are separately reported for each financing	PMU	06/2022
Submission of winding-up costs Incorporate costs of winding up activities in the 2023 AWPB for IFAD No Objection.	PMU	11/2022
Refund of tax payments to designated account Report to IFAD actual refund of tax payments and submit supporting documentation to resolve flagged ineligible expenditures.	PMU-FO	12/2022
Submission of unaudited financial statements Submit unaudited FS to IFAD within 4 months after financial year end.	PMU	04/2023
Budget monitoring Follow up budget and expenditure in accounting software	PMU	

Quality and Timeliness of Audit

Rating: 4

Previous rating: 4

Justification of rating

151. Audit report submitted 40 days after the due date, audit coverage is complete, auditing standard is sufficient to IFAD. Management Letter did not find any issue, no variances, deficiencies detected. issue from 2020 audit is followed up.

Main issues

152. Audit report submitted 40 days after the due date, audit coverage is complete, auditing standard is sufficient to IFAD. Management Letter doesn't identify any issue, no variances, deficiencies detected.

Counterparts Funds

Rating: 4

Previous rating: 4

Justification of rating

153. All funds required have been budgeted for during the current fiscal year and released on time.

Main issues

There is no commitment for counterpart fund in the second phase of OIFWP. The Project has reported disbursements of \$US 3.11 million in 2021 that is equivalent to 290% of the appraised amount of \$US 1.07 million. However, the Project has still to report counterpart fund disbursements for the current year as of the mission.

Subsequently, the Project reported \$US 3.72 million or 347% actual government counterpart as of 31 October 2022. The Project was advised to continue reporting government counterpart fund expenditures even if it has already exceeded the appraised amount.

Agreed Action	Responsibility	Agreed Date
Report government counterpart funds for 2022 Update in its 4th quarter IFR the government counterpart funds disbursed in 2022.	PMU-FO	02/2023

Compliance with Loan Covenants

Rating: 5

Previous rating: 4

Justification of rating

154. Compliance with most legal covenants. Non-compliance does not significantly affect project implementation or achievement of development objectives or violate IFAD's statutory requirements.

Main issues

155. Project continues to comply with legal covenants as shown in See Appendix 3.

Procurement

Procurement

Rating: 5

Previous rating: 4

Justification of rating

156. Processes, procedures and systems applied exhibit some gaps and inconsistencies that have limited impact on project implementation and performance. Implementation support is required, however, prompt resolution of issues/constraints is likely.

Procurement Review

157. Since the April 2022 supplementary mission the Project has attained progress in procurement. A revised 2022 Procurement Plan utilizing the IFAD format was submitted and given No Objection. Likewise, all procurements for major equipments were submitted and given No Objection. These include contracts for VCO equipment and water tanks. In terms of procurement planning, the project needs to upgrade the Procurement Plan to reflect unbundled procurement packages showing details of minor specific contract packages. Upgrades to procurement plan will require No Objection from IFAD pursuant to the covering IFAD Letter to the Recipient. It is observed that planned schedules of procurement have not been observed and will require more realistic planning when preparing for the 2023 Procurement Plan which will be submitted to IFAD for No Objection together with the 2023 AWPB. Procurement processes reviewed after the last mission appear to be compliant with IFAD procedures. A second VCO contract will be submitted to IFAD for additional post review. By way of implementation support, the mission clarified that items contracted under the 2022 Procurement Plan do not need to be reflected in the 2023 Procurement Plan even if the items are not yet delivered and paid.

158. Outstanding major issues are on contract management. Due to delays in shipping, the contracts with Otago (char briquettes plant on Nonouti), KOP (combined cocosap sugar and virgin coconut oil (VCO) production plant on Nonouti) and KPLF (VCO plant on North Tabiteuea) will be extended to 31st March 2023. Per the Letter to the Recipient, extensions of 25 percent or more of the original contract duration will require IFAD prior No Objection. Similarly, amendments increasing original contract cost by more than 10 percent require prior IFAD No objection. Project will ensure that contract delays will be managed to ensure timely completion and operation of the char briquettes and VCO production plants. Procurement filing system is ongoing.

Agreed Action	Responsibility	Agreed Date
Contract Amendments Submitted for IFAD NOL Submit to IFAD for No Objection Agreed amendment of contracts as per Letter to the Recipient.	PMU	11/2022
Update Procurement Plan Update and upgrade procurement plan to provide specific contract packages procured	PMU	12/2022

e. Key SIS Indicators

Likelihood of Achieving the Development Objective	Rating: 4.31	Previous rating: 4.2
Assessment of the Overall Implementation Performance	Rating: 3.92	Previous rating: 3.83

F. Agreed Actions

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Overview and Project Progress		
<p>Finalise Orders for Outstanding Equipment</p> <p>For all outstanding equipment to be imported for the KSF funded activities, suppliers' confirmation of orders should be received by end November 2022. If this cannot be achieved, orders / activities should be cancelled.</p>	PMU, Otago, KOP, KPLF	11/2022
<p>Prepare Work Plans for Completion of Processing Plants</p> <p>PMU with Otago Ltd, KCDL and KOP will prepare detailed, time-bound plans showing all remaining steps needed to achieve operationalisation of the processing plants (char briquette, VCO and cocosap) dates for completion of each step and identified risks that could cause delay. These workplans will be shared with IFAD. Contract extensions with Otago and KOP will be agreed based on these plans.</p>	PMU Otago, KOP, KPLF	12/2022
<p>Review institutional strength of WUGs</p> <p>Review status of all WUGs (e.g. all officers in place and active, regular meetings, positive fund balance) and identify any needing special support to ensure sustainability after project exit</p>	PMU, IF/CFs	02/2023
<p>Formation and Registration of Mother WUGs</p> <p>Complete formation of Mother WUGs</p>	PMU, IF/CFs, ICs,	03/2023
<p>Business Plans for Sustainability of High-Potential Farmers and Nurseries</p> <p>Farmers who have genuine interest and potential for production for the market, and the identified 60 priority community nurseries, should develop business plans to achieve financial sustainability, meaning being able to purchase replacement equipment and inputs using their sales revenues.</p>	PMU, IF/CF, AAs	03/2023
<p>Develop Sustainability and Replication Plan for IFS Sites</p> <p>Review initial experience with IFS sites. In case any activities found to be non-sustainable or non-relevant to needs of the OI communities, eliminate these activities. For each IFS site, review the MOU with the farmer and develop a business plan for financial sustainability and to facilitate replication by other farmers.</p>	PMU, IF/CF, ISF Farmers, AAs	03/2023
<p>Processing Plants to be Operational by March 2023</p> <p>PMU will review all contracts and agreements with suppliers, transporters and technical agencies to ensure that the processing plants funded by KSF become operational by March 2023. This will include extending the contracts with Otago (char briquettes) and KOP (cocosap sugar and VCO).</p>	PMU, Otago, KOP, KPLF	03/2023
<p>Work Plans for First 6 Months of Operations of Processing Plants</p> <p>Prepare plans for support to the KSF funded processing plants in their first six months of operation (April – September 2023) and budget relevant activities in AWPB 2023. Extension of the Otago and KOP contracts to cover this period will be considered.</p>	PMU, Otago, KOP, KPLF	03/2023

<p>RWHS to be complete by March 2023</p> <p>PMU will ensure prompt shipping of remaining materials and tools and implementation of works so that RWHS are complete no later than March 2023.</p>	<p>PMU, shippers, Construction Supervisors</p>	<p>03/2023</p>
<p>ICs to Establish Supplies of Spare Parts</p> <p>Project will work with ICs to ensure that stocks of spare parts for RWHS are available on all islands (Abemama and Tamana currently outstanding).</p>	<p>PMU, IFs, ICs</p>	<p>03/2023</p>
<p>Update Inventory of RWHS</p> <p>A full inventory of RWHS should be prepared and updated by Q2 2023, based on existing available information and update condition survey by IF/CFs. In case any RWHS needs repair, this should be done before PCD.</p>	<p>PMU, IFs, CFs, WUGs</p>	<p>06/2023</p>
<p>Sustainability and Scaling up</p>		
<p>Award and Recognition for Community Achievements</p> <p>Introduce Award and Recognition Scheme to sustain the success of project activities: project to lobby, motivate and resource the Island Councils to organize annual competition within the island such as for best WUGs, household with best backyard garden, village with most backyard gardens, village with least cases of child malnutrition other child health problems, woman with best backyard garden, youth with best backyard garden, woman vendor of vegetables, best organized village etc.</p>	<p>MIA, MELAD, PCU, Island Council</p>	<p>07/2020</p>
<p>Project Management</p>		
<p>AWPB 2023 to Include Project Exit, Final Evaluation and Closing Activities</p> <p>The AWPB 2023 will include budget for project exit and evaluation activities agreed in this AM, for orderly exit of the project, project reporting and other activities needed up to the financial closing date of 31st March 2024.</p>	<p>PMU, IFAD</p>	<p>12/2022</p>
<p>End-Line Survey and Data Analysis</p> <p>The project end-line survey will be conducted Q2 2023. IFAD will provide technical support to PMU for design of the survey and also for in-depth analysis of data collected in the monthly reporting from IFs/CFs.</p>	<p>PMU, IFAD</p>	<p>06/2023</p>
<p>Assess Project Environmental and Social Impacts</p> <p>As part of the final evaluation of the project, environmental and social impacts will be assessed based on the risks identified in the ESMF.</p>	<p>PMU</p>	<p>06/2023</p>
<p>Ensure Prompt Clearance of Materials from Tarawa Port</p> <p>PMU will ensure that clearance procedures are executed promptly and correctly to avoid incurring charges for over-time storage at Tarawa Port for any future shipments.</p>	<p>PMU</p>	
<p>Financial Management & Execution</p>		
<p>Asset management</p> <p>KFSU to prepare a comprehensive asset register to record assets held at PCU, KFSU, Outer Islands (CFOs, IFs, AAs) and beneficiary groups. The Finance Officer at KFSU to ensure that a verification count of all equipment recorded in the fixed asset register is performed before project completion date. FSPK to prepare an asset register which includes all assets purchased under KOIFWP. PCU and FSPK to discuss with MELAD on procedures for handing over of project assets at PCD.</p>	<p>KFSU FO / Procurement Assistant</p>	<p>06/2018</p>

<p>Staff performance review</p> <p>PMU and KFSU to review the performance of the Finance Officer (FO) during the probation period and take appropriate staff action with a view to ensuring that the TOR of the FO can be fully and adequately fulfilled in future.</p>	PMU	01/2021
<p>Interim report</p> <p>Interim financial report submitted to IFAD on time</p>	PMU, KFSU	02/2021
<p>Training to FO</p> <p>FO should have training sections on IFAD disbursement procedures, financial reporting, FM management. Training and support from Accounting Software firm on utilizing all the functions of the software and clearing the gap in 2019.</p>	PMU	02/2021
<p>Budget monitoring</p> <p>Budget shall be loaded to accounting software, budget report is accurately issued.</p>	PMU	02/2021
<p>Implementation of accounting software</p> <p>Consider to hire FM consultant, Accounting software company to support. Accounting software is fully utilized, financial transactions are timely entered with available reports to meet IFAD's requirement</p>	PMU, KFSU	03/2021
<p>Full implementation of Service Agreement with KFSU</p> <p>The service agreement with KFSU is to be fully implemented, with KFSU ensuring quality and timeliness of financial management and procurement. FO is to be based at and work under effective supervision of KFSU, with attendance at PMU 1 – 2 days per week.</p>	PMU, KFSU, MELAD, MFAD	03/2021
<p>Implementation of PIM</p> <p>FO goes through PIM to ensure current FM operation aligned to PIM</p>	PMU	06/2021
<p>Incorrect reporting for source of financing</p> <p>Review transactions posted to bank accounts in accounting software to distinguished source of financing.</p>	FO/KFSU/PMU	12/2021
<p>Resolution of ineligible expenditure</p> <p>MFED is currently conducting the inspection to FSPK on the advance provided in phase 1, and inform IFAD on the outcome</p>	PMU/KFSU	12/2021
<p>2022 AWPB</p> <p>Obtain No Objection from IFAD for 2022 AWPB</p>	PMU, IFAD	12/2021
<p>Capacity building to Finance Officer</p> <p>Training to FO on the disbursement procedures and reporting requirements</p>	FO/PMU	03/2022
<p>Internal Audit</p> <p>Inform IFAD on internal audit result performed by MFED in Oct 2021</p>	PMU	03/2022
<p>Refund VAT of phase 1</p> <p>Working with Taxation authority on the refund of VAT in phase 1 and ensure future expenditure will be VAT exclusive.</p>	PMU	03/2022

Expenditure reporting SOE and budget are separately reported for each financing	PMU	06/2022
Contract Amendments Submitted for IFAD NOL Submit to IFAD for No Objection Agreed amendment of contracts as per Letter to the Recipient.	PMU	11/2022
Submission of cash projections Submit project cash projections up to financial closing date of 31 March 2024 for IFAD review.	PMU-FO	11/2022
Submission of winding-up costs Incorporate costs of winding up activities in the 2023 AWPB for IFAD No Objection.	PMU	11/2022
Update Procurement Plan Update and upgrade procurement plan to provide specific contract packages procured	PMU	12/2022
Refund of tax payments to designated account Report to IFAD actual refund of tax payments and submit supporting documentation to resolve flagged ineligible expenditures.	PMU-FO	12/2022
Report government counterpart funds for 2022 Update in its 4th quarter IFR the government counterpart funds disbursed in 2022.	PMU-FO	02/2023
Submission of unaudited financial statements Submit unaudited FS to IFAD within 4 months after financial year end.	PMU	04/2023
Increase disbursement rate Procurement and disbursement for project activities should speed up but still ensure the quality of FM.	PMU	
Budget monitoring Follow up budget and expenditure in accounting software	PMU	

Kiribati

**Outer Islands Food and Water Project
Supervision Report**

: Logical Framework

Mission Dates: 10/11/2022 24/11/2022

Document Date: 06/03/2023

Project No. 1100001708

Report No. OIFWP: 6395-KI

Asia and the Pacific Division
Programme Management Department

Outer Islands Food and Water Project

Logical Framework

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result % (2023)	Source	Frequency	Responsibility	
Outreach	1.a Corresponding number of households reached							Progress Reports	Annual	Project	
	Women-headed households			431		539	125.058				
	Non-women-headed households			2 386		3 205	134.325				
	Households			2 880		3 744	130				
	1 Persons receiving services promoted or supported by the project							Progress Reports	Annual	Project	
	Males			9 000		9 816	109.1				
	Females			9 000		9 971	110.8				
	Indigenous people			18 000		19 787	109.9				
	Total number of persons receiving services			18 000		19 787	109.9				
	Young			25							
	1.b Estimated corresponding total number of households members							Progress Reports	Annual	Project	
	Household members			18 000		19 787	109.9				
	Individuals engaged in NRM and climate risk management activities							Progress report	Annual	Project	
	Total number of people			10 000							
	Poor smallholder household members supported in coping with the effects of climate change							RIMS		Project	
	Households			12 640							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result % (2023)	Source	Frequency	Responsibility	
Project Goal People living in the outer islands have healthy, sustainable livelihoods	Households with improved food security							Impact Assessments	3 x	Project	No major drought so water available for household use and vegetable gardens No major decline in international food prices; Communities, farmers and home gardeners willing to participate in community led water and agriculture development; MELAD staff willing to actively participate in community led agriculture development.
	Households										
	Improved child health and nutrition status							RIMS Impact Surveys and Household Dietary Diversity Index survey at baseline & completion; Community facilitator HH food output records; Annual Project Reports	3 x	Project	
	Child health and nutrition status improved										
Households reporting increased availability of fresh food and drinking water							Sample surveys of 400 households at baseline & completion	Baseline and Completion	Project		
Households											
Development Objective Outer island communities able to successfully plan and implement investments resulting in better nutrition and access to clean water	Communities reporting increased food production and improved availability of water							Sample surveys of 400 households at baseline & completion	Baseline and Completion	Project	Communities willing to participate in water and home garden activities
	Communities reporting increased food production and improved availability of water										

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result % (2023)	Source	Frequency	Responsibility	
Outcome Communities are planning and prioritising activities in a participatory and inclusive way	Community plans validated by all community members and implemented according to defined priorities							Project Progress Reports, Island Clerk review of validated plans for quality and relevance, Island Council consultations	Annual	Project	Island Councils and community leaders willing to support plan preparation Communities prepared to participate in planning and in-kind and or cash contributions to relevant activities; NGO, CFOs and other in-field implementers committed and capable to facilitate the planning process.
	Community plans formulated			67							
	Community plans updated			67							
Output Communities facilitated to validate existing plans and mobilize food and water activities	Community groups formed/strengthened							Progress Reports	Annual	Project	Communities prepared to participate in planning and in-kind and or cash contributions to relevant activities NGO, CFOs and other in-field implementers committed and capable to facilitate the planning process
	WUGs formed/strengthened			503							
	Female leaders/officials of WUG executive committees			503							
	People trained in community management topics							Progress Reports, Monthly M&E reports	Annual	Project	other in-field implementers committed and capable to facilitate the planning process
	Men trained in planning			2 640							
	Women trained in planning			2 640							
	Males			2 640							
	Females			2 640							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result % (2023)	Source	Frequency	Responsibility	
Outcome Households in the OIs are growing and eating more nutritious local foods	Women increasing cash income from home grown food							Outcome Assessments	2 x	Project	Household members willing to change eating habits from reliance on imports
	Females			1 761							
	Households with reduced expenditure on imported food							Outcome assessments	Annual	Project	
	Households			2 113							
	1.2.8 Women reporting minimum dietary diversity (MDDW)							Outcome assessments, Sample survey of 400 women using 24 hours recall methodology	Annual	Project	
	Women (%)										
	Women (number)										
	Households (%)										
	Households (number)			2 880							
	Households reporting increased production of local foods							Sample surveys of 400 households at baseline and completion	Baseline and Completion	Project	
Households			2 880								
Output Increased total output of local fruits, vegetables, root crops and poultry	Households engaged in home gardening & poultry activities							Progress Reports, Monthly M&E reports with data from CFO and AA	Annual	Project	Weather conditions and only limited sea level rise permit homestead gardens to be established Consistent relations with other donor funders; Farmers & home gardeners willing to engage in OIWFP activities; Farmers & home gardeners willing to move towards some level of "user pays"
	Households engaged in poultry activities			889							
	Households engaged in home gardening			2 113							
	Community nurseries established and meeting output targets							Progress Reports, Monthly M&E reports with data from CFO and AA	Annual	Project	
	Nurseries established			67							
	Demonstration plots established			67							
	Farmers accessing seedlings from community nurseries at least once a quarter							M&E reports with data from CFO and AA	Annual	Project	
	Males			880							
Females			880								

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result % (2023)	Source	Frequency	Responsibility	
Output Nutrition promotion sessions (nutrition education and cooking demonstrations) conducted	Agricultural Assistants in OIs trained and delivering useful service to producer groups							Progress Reports	Annual	Project	Women interested to change cooking habits from convenience to nutritional value
	Agricultural Assistants trained			9							
	1.1.8 Households provided with targeted support to improve their nutrition							Progress Reports	Annual	Project	
	Total persons participating			2 114		2 284	108				
	Males			1 057		915	86.6				
	Females			1 057		832	78.7				
	Households			431		2 414	560.1				
	Household members benefitted			12 500		4 109	32.9				
	Women-headed households			431		431	100				
	1.1.4 Persons trained in production practices and/or technologies										
	Total number of persons trained by the project			3 250		2 164	66.6				
	Men trained in crop			2 667		2 850	106.9				
	Women trained in crop			2 667		2 659	99.7				
	Total persons trained in crop			5 334		5 509	103.3				
	Person attending nutrition education trainings and cooking classes delivered by the project							Monthly M&E Reports with data from CFO and AA	Annual	Project	
Males			1 060								
Females			1 060								
Outcome Households have secure access to a basic minimum quantity of clean drinking water	90% reduction in reported cases of diarrhoea and dysentery in the targeted HHs							Operational audits of community water infrastructure; VWT and IWT records; MOW reports.		Project	Households able to cooperate to share water assets and water allocations
	Reduction in reported cases of diarrhoea and dysentery			90							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result % (2023)	Source	Frequency	Responsibility	
	Improved access to clean water for 75% of households							Operational audits of community water infrastructure; VWT and IWT records; MOW reports.	Annual	Project	
	Households			2 641							
	Households reporting improved access to clean water for 95% of the time							Sample survey of 400 households at baseline and completion	Baseline and Completion	Project	
	Households			1 637							
	Percentage of water infrastructure operational & sustainable by 2023							Operational audits of community water infrastructure		Project	
Water infrastructure operational & sustainable by 2023			95								
Output Written agreements amongst the users for each structure describing arrangements for its operation and maintenance (in the PDR)	Drinking water systems constructed/rehabilitated							Progress Reports	Annual	Project	Contractors complete construction of water harvesting facilities according to specifications, budget and on time
	Water system			563							
	Written agreements describing user group arrangements							Progress Reports	Annual	Project	
	Written agreements reached			503							
	People trained in basic plumbing and maintenance							Progress Reports	Annual	Project	
	People trained			660							
	People trained in water management and sanitation activities							Monthly M&E reports	Annual	Project	
	Males			2 113							
Females			1 761								
Output Rainwater harvesting facilities are installed and operating	Community members have access to community water infrastructure							Progress Reports	Annual	Project	Contractors complete construction of water harvesting facilities according to specifications, budget and on time
	Males			4 500							
	Females			4 500							
	90% of community water infrastructure is operational and sustainable by 2018									Project	
	Infrastructure is operational and sustainable			90							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result % (2023)	Source	Frequency	Responsibility	
	Groups managing productive infrastructure formed/strengthened							Outcome Assessment	Annual	Project	
	Groups managing productive infrastructure formed/strengthened			503							
	Rainwater harvesting system constructed/rehabilitated									Project	
	RWHS constructed			563							
	RWHS rehabilitated			0							
	Households supported with increased water availability or efficiency							Outcome Assessment	2x	Project	
	Households			2 817							
	WUGs effectively managing water infrastructure							Monthly M&E reports	Annual	Project	
	WUGs effectively managing water infrastructure			503							
	Households with access to rainwater storage facility							Operational audits of community water infrastructure		Project	
Households			3 270								

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

Mission Dates: 10/11/2022 24/11/2022

Document Date: 06/03/2023

Project No. 1100001708

Report No. OIFWP: 6395-KI

Asia and the Pacific Division
Programme Management Department

Table 1A: Financial performance by financier as of 31 Oct 2022 (USD 000)

Financier	Approval	Disbursement	% disbursed
IFAD Original Grant	2,733	2,719	99.49%
IFAD Additional Grant	3,600	2,056	57.11%
IFAD Supplementary Grant (Korean)	810	369	45.55%
Government	1,071	3 722	347.52%
Total	8,214	8,866	107.94%

**Table 1B: Financial performance by financier by component
31 Oct 2022**

#	Component	IFAD Grant			KOREAN Grant			Total		
		Appvl	Actual	%	Appvl	Actual	%	Appvl	Actual	%
1	Community Planning & Action	268 629	246,577	92				268 629	246,577	92
2	Household Food & Nutrition	801 196	119,087	15	810 000	203,853	25	1 611 196	322,940	20
3	Household Drinking Water	513 128	442,982	86				513 128	442,982	86
4	Project Management & Coordination	307 556	229,983	75				307 556	299,983	97
	Total	1 890 509	1,038,629	55	810 000	203,853	25	2 700 509	1,312,482	49

**Table 1C: IFAD Grant
Disbursements**

Financing 200000801

Category description	Allocation (SDR)	Disbursement (SDR)	W/A pending (SDR)	Balance (SDR)
200003: Works	675 000	674 383		617.20
200008: Consultancies	5 000	2 182	0	2 818.44
200010: Credit and guarantee funds				0.00
200011: Equipment and materials			0	0.00
200012: Grants and subsidies				0.00
200013: Goods Services & Inputs	150 000	145 840	0	4 159.97
200016: Operating costs	310 000	307 140		2 859.64
200018: Salaries & Allowances	735 000	738 203		-3 203.17
200019: Training	65 000	61 492	0	3 507.94
290001: Unallocated				
200021: Vehicles			0	
200022: Workshops			0	
270001: Authorised allocation		1 055		-1 055
Total	1 940 000	1 930 295	0	9 705

Table 1C: IFAD Additional Grant Disbursements

Financing 2000003161

Category description	Allocation (USD)	Disbursement (USD)	W/A pending (USD)	Balance (USD)
200008: Consultancies	1 541 000	971 951	68 940	500 109
200011: Equipment and materials	1 052 000	320 918	215 404	515 678
200013: Goods Services & Inputs	377 000	29 274	35 546	312 180
200016: Operating costs	109 000	72 815	8 669	27 516
200018: Salaries & Allowances	100 000	63 588	1 712	34 700
200019: Training	278 000	105 715	10 872	161 413
200021: Vehicles	47 000	21 286	0	25 714
200022: Workshops	96 000	56 527	5 560	33 913
270001: Authorised allocation	0	413 958	(346 703)	(67 255)
Total	3 600 000	2 056 032	0	1 543 968

Table 1C: KSF Grant Disbursements

Financing 2000003384

Category description	Allocation (USD)	Disbursement (USD)	W/A pending (USD)	Balance (USD)
200011: Equipment and materials	580 000	115 600	39,678	424 722
200013: Goods Services & Inputs	149 000	12 421	40,777	95 802
200019: Training	81 000	23 305	0	57 695
270001: Authorised allocation	0	217 418	(80,455)	(136 963)
Total	810 000	368 744	0	441 256

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Appendix 2: Physical progress measured against AWP&B

Mission Dates: 10/11/2022 24/11/2022

Document Date: 06/03/2023

Project No. 1100001708

Report No. OIFWP: 6395-KI

Asia and the Pacific Division
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Appendix 2: Physical progress measured against AWP&B

Component/Outcome		Period: 01/01/2022 to 30/11/2022			Cumulative	Appraisal		
Sub-component or Output	Indicator	Unit	AWP&B	Actual	%	Actual	Target	%
Component 1 /Outcome: Communities are planning and prioritising activities in a participatory and inclusive way								
<i>Community Planning and Action</i>								
	Island Profiles Prepared	Profile	0	0		5	5	100%
	Island Plans Prepared	IDP	0	0		5	5	100%
	Community Development Plans Prepared	CDP	0	0		35	26	135%
	Island Plans Re-validated	IDP	4	4	100%	4	5	80%
	CAWDP Re-Validated	CAWDP	0	0		44	44	100%
	WUG Formed	WUG	0	0		503	503	100%
	Component 1 Manager	Month	12	10	83%	34	42	81%
	Gender and Youth Officer	Month	12	10	83%	34	38	89%
	Training, Monitoring & Evaluation Officer 1	Month	12	5	42%	17	27	63%
	Training, Monitoring & Evaluation officer 2	Month	12	10	83%	22	22	100%
<i>Sub-component / Output</i>	Endorsement of CDPs by Island Councils	CDP	0	0				
<i>Sub-component / Output</i>	CDPs re-prioritized and re-validated	CDP	35	27		36	0	
<i>Sub-component / Output</i>	Refresher trainings by PMU	Trainings	5	5	77%	80	5	1600%
	Trainings by External Providers	Trainings	3	3	100%	5	0	
	Staff Performance Appraisal	SPA	45	40	100%	3	0	
	WUG Strengthening	WUGs	503	503	89%	125	201	62%
Component 2 / Outcome								
	Households engaged in home gardening	HH	433	433	100%	3478	2113	165%
	Travel to OIs	Trip	18	5	28%	85	108	79%
	Gardening Tools for farmers	HH	2113	4530	214%	4530	2113	214%
	Recipe Book Competition	Communities	67	67	100%	67	70	96%
	Drama Competition	Schools	17	17	100%	34	34	100%
	Cooking Demonstrations	Demos	19	63	332%	200	158	127%
	Project Designed T-shirts	T-shirts	250	322	129%	322	360	89%
	Operators for IFS	HH	4	5	125%	5	4	125%
	Operators for Coconut Replanting	HH	107	114	107%	114	160	71%
	Operator for Charcoal Briquette	Comm	1	1	100%	1	1	100%

Operator for Virgin Coconut Oil	Comm	1	2	200%	2	1	200%
Operator for Cocosap Sugar	Comm	1	1	100%	1	1	100%
Training for IFS Operators	Training	8	4	50%	4	2	200%
Training for Coconut Replanting Operators	Training	4	4	100%	4	2	200%
Training for Charcoal Briq Operator	Training	1	0	0%	0	2	0%
Training for VCO Operator	Training	1	2	200%	2	2	100%
Training for Cocosap Sugar Operator	Training	2	1	50%	1	2	50%
Equipment & materials for IFS	Islands	4	4	100%	4	4	100%
Equipment & materials for Coconut Replanting	Package	1	1	100%	1	1	100%
Equipment & materials for Char Briq	Package	1	1	100%	1	1	100%
Equipment & materials for VCO	Package	2	2	100%	2	1	200%
Equipment & materials for cocosap Sugar	Package	1	1	100%	1	1	100%
Equipment & materials for cocnut Replant	Package	1	1	100%	1	1	100%
Refer to Logframe results for other activities	Package						
Component 2 Manager	Month	12	10	83%	37	42	88%
Component 3 / Outcome							
Pls refer to Logframe results for activities							
Travel to OIs	Trips	18	12	67%	67	108	62%
Component 3 Manager	Month	12	10	83%	19	24	79%
WUG Strengthening	WUGs	503	503	100%	503	503	100%
Component 4 / Outcome							
Full Council Meetings	Meetings	9	9	100%	24	23	104%
Annual Workshop	W/shop	1	1	100%	1	2	50%
Travel to OIs	Travel	45	9	20%	94	139	68%
Baseline Survey	Survey	1	1	100%	1	1	100%
Finance Officer	Month	12	10	83%	19	26	73%
Procurement Officer	Month	12	10	83%	16	22	73%
Communications & KM Officer	Month	12	10	83%	37	38	97%
Finance & Administration Officer	Month	12	10	83%	37	40	93%
Component Assistance	Month	12	7	58%	34	40	85%
Project Director	Month	12	10	83%	37	42	88%

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Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 10/11/2022 24/11/2022

Document Date: 06/03/2023

Project No. 1100001708

Report No. OIFWP: 6395-KI

Asia and the Pacific Division
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Appendix 3: Compliance with legal covenants: status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section B Paragraph 6	There shall be a Designated Account, opened in the name of the Recipient, in a bank acceptable to the Fund, for receiving and holding the Grant proceeds in Australian Dollar (AUD). The Designated Account shall be protected against set-off, seizure or attachment on terms and conditions proposed by the Recipient and accepted by IFAD.		Complied	
Section B Paragraph 7	The Recipient shall provide approximately AUD 1.12 million in counterpart financing for the Project in form of staff salaries for approximately AUD 740 000 and tax exemptions for approximately AUD 380 000.		Complied	Continuing action
Section B Paragraph 8	Procurement of goods, works and consulting services financed by the Financing shall be carried out by the Kiribati Fiduciary Services Unit (KFSU) in accordance with the provisions of the World Bank's procurement procedures, with the exception of National Bidding and recruitment of project staff which shall be carried out in accordance with national procurement procedures mutually acceptable to the Fund and the Recipient.		Being Complied	Continuing action
4.02 Withdrawals from the Loan and Grant Accounts	(b) 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 Financing Agreement as additional general conditions precedent to withdrawal have been fulfilled. The Financing Agreement 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 Financing Agreement.		Complied	
4.09 Refund of Withdrawals	If the Fund determines that any amount withdrawn from the Loan and/or Grant Accounts was used to finance an expenditure other than an Eligible Expenditure or will not be needed thereafter to finance Eligible Expenditures, the Borrower/Recipient shall promptly refund such amount to the Fund upon instruction by the Fund. Except as the Fund shall otherwise agree, such refund shall be made in the currency used by the Fund to disburse such withdrawal. The Fund shall credit the Loan and/or Grant Accounts with the amount so refunded.		Being Complied	
7.02	(a) The Borrower/Recipient shall make the proceeds of the Financing available to the Project Parties upon terms and		Complied	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Availability of Financing Proceeds	<p>conditions specified in the Financing Agreement or otherwise approved by the Fund for the purpose of carrying out the Project.</p> <p>(b) The Financing Agreement may provide that the Borrower/Recipient open and maintain (i) one or more Project Account(s) for Project operations in a bank acceptable to the Fund, and/or (ii) one or more Designated Account(s) to receive advances in accordance with Section 4.04(d). The Borrower/Recipient shall identify the Project Party responsible for operating such account or accounts. Unless otherwise specified in the Financing Agreement, such accounts, shall be operated in accordance with the applicable rules and regulations of the Project Party responsible therefor.</p>			
7.03 Availability of Additional Resources	In addition to the proceeds of the Financing, the Borrower/Recipient shall make available to the Project Parties such funds, facilities, services and other resources as may be required to carry out the Project in accordance with Section 7.01		Being Complied	Continuing action
7.05 Procurement	<p>(a) Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower/Recipient's procurement regulations, to the extent such are consistent with the IFAD Procurement Guidelines. Each Procurement Plan shall identify procedures which must be implemented by the Borrower/Recipient in order to ensure consistency with the IFAD Procurement Guidelines.</p> <p>(b) By notice to the Borrower/Recipient, the Fund may require that all bidding documents and contracts for procurement of goods, works and services financed by the Financing include provisions requiring bidders, suppliers, contractors, sub-contractors and consultants to:</p> <ul style="list-style-type: none"> (i) Allow full inspection by the Fund of all bid documentation and related records; (ii) Maintain all documents and records related to the bid or contract for three years after completion of the bid or contract; and (iii) Cooperate with agents or representatives of the Fund carrying out an audit or investigation. 		Being Complied	Continuing action
7.06 Use of Goods and Services	All goods, services and buildings financed by the Financing shall be used exclusively for the purposes of the Project.		Being Complied	Continuing action
7.11 Key Project Personnel	The Borrower/Recipient or the Lead Project Agency shall appoint the Project Director and all other key Project personnel in the manner specified in the Agreement or otherwise approved by the Fund. All key Project personnel shall have qualifications and experience specified in the Agreement or otherwise		Complied	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	approved by the Fund. The borrower/Recipient shall exercise best efforts to ensure continuity in key Project personnel throughout the Project Implementation Period. The borrower/Recipient or the Lead Project Agency shall insure key Project personnel against health and accident risks to the extent consistent with sound commercial practice or its customary practice in respect of its national civil service, whichever is appropriate.			
7.13 Allocation of Project Resources	The Borrower/Recipient and the Project Parties shall ensure that the resources and benefits of the Project, to the fullest extent practicable, are allocated among the Target Population using gender disaggregated methods.		Complied	
7.16 Project Completion	The Borrower/Recipient shall ensure that the Project Parties complete the implementation of the Project by the Project Completion Date. The Fund and the Borrower/Recipient shall agree on the disposition of the assets of the Project upon its completion		Not yet due	
8.01 Implementation Records	The Borrower/Recipient shall ensure that the Project Parties maintain 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.		Being Complied	Continuing action
8.02 Monitoring of Project Implementation	The Lead Project Agency shall: (a) establish and thereafter maintain an appropriate information management system in accordance with the Fund's operational guidelines and Results Measurement Framework; (b) during the Project Implementation Period, gather all data and other relevant information (including any and all information requested by the Fund necessary to monitor the progress of the implementation of the Project and the achievement of its objectives; and (c) during the Project Implementation Period and for at least ten (10) years thereafter, adequately store such information, and promptly upon request, make such information available to the Fund and its representatives and agents.		Being Complied	Continuing action
8.03 Progress Report and Mid-Term Reviews	(a) The Lead Project Agency, or other party so designated in the relevant Agreement, shall furnish to the Fund periodic progress reports on the Project, in such form and substance as the Fund shall reasonably request. At a minimum such reports shall address (i) quantitative and qualitative progress made in implementing the Project and achieving its objectives, (ii) problems encountered		Being complied	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	during the reporting period, (iii) steps taken or proposed to be taken to remedy these problems, and (iv) the proposed programme of activities and the progress expected during the following reporting period.			
8.04 Completion Report	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, in such form and substance as may be specified in the Financing Agreement or as the Fund shall reasonably request. At a minimum such report shall address (i) the costs and benefits of the Project, (ii) the achievement of its objectives, (iii) the performance by the Borrower/Recipient, the Project Parties, the Fund of their respective obligations under the Agreement, and (iv) lessons learned from the foregoing		Not yet due	
9.01 Financial Records	The Project Parties shall maintain separate accounts and records in accordance with consistently maintained appropriate accounting practices adequate to reflect the operations, resources and expenditures related to the Project until the Financing Closing Date, and shall retain such accounts and records for at least ten (10) years thereafter.		Being Complied	Continuing action
9.02 Financial Statements	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.	Within 4 months after end of each FY	Being Complied	
9.03 Audit of Accounts	The Borrower/Recipient shall: (a) each Fiscal Year, have the accounts relating to the Project audited in accordance with auditing standards acceptable to the Fund and the IFAD Guidelines on Project Audits by independent auditors acceptable to the Fund; (b) within six (6) months of the end of each Fiscal Year, furnish to the Fund a certified copy of the audit report. The borrower/Recipient shall submit to the Fund the reply to the management letter of the auditors within one month of receipt thereof; (c) If the Borrower/Recipient does not timely furnish any required audit report in satisfactory form and the Fund determines that the Borrower/Recipient is unlikely to do so within a reasonable period, the Fund may engage independent auditor of its choice to audit the accounts relating to the Project. The Fund may finance the cost of such audit by withdrawal from the Loan and/or Grant Accounts.	Within 6 months of the end of each FY	Being Complied	FY2021 audit report submitted in August 2022

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
9.04 Other Financial Reports and Information	<p>In addition to the reports and information required by the foregoing provisions of this Article:</p> <p>(a) The Borrower/Recipient and the Project Parties shall promptly furnish to the Fund such other reports and information as the Fund shall reasonably request on any financial matter relating to the Financing or the Project or any Project Party.</p> <p>(b) The Borrower/Recipient and the Guarantor shall promptly inform the Fund of any condition that interferes with, or threatens to interfere with, the maintenance of loan service Payments.</p> <p>(c) The Project Member State shall promptly furnish to the Fund all information that the Fund may reasonably request with respect to financial and economic condition in its territory, including its balance of payments and its external debt.</p>		Complied	
10.05 Evaluation of the Project	<p>(a) The Borrower/Recipient and each Project Party shall facilitate all evaluations and reviews of the Project that the Fund may carry out during the Project Implementation Period and for ten (10) years thereafter.</p> <p>(b) As used in this Section, the term “facilitate”, in addition to full compliance with Articles VII, IX and this Article X in respect of such evaluations and reviews, includes providing timely logistical support by making available Project personnel and equipment and promptly taking such other action as the Fund may request in connection with such evaluations and reviews, but does not include incurring out of pocket expenses.</p>		Being Complied	

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Appendix 7: Integrated Project Risk Matrix (IPRM)

Mission Dates: 10/11/2022 24/11/2022

Document Date: 06/03/2023

Project No. 1100001708

Report No. OIFWP: 6395-KI

Asia and the Pacific Division
Programme Management Department

Overall Summary

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

Risk Category / Subcategory	Inherent risk	Residual risk
<i>Physical and Economic Resettlement</i>		<i>No risk envisaged - not applicable</i>
<i>Greenhouse Gas Emissions</i>	<i>Low</i>	<i>Low</i>
<i>Vulnerability of target populations and ecosystems to climate variability and hazards</i>	<i>High</i>	<i>Substantial</i>
Stakeholders	Moderate	Moderate
<i>Stakeholder Engagement/Coordination</i>	<i>Moderate</i>	<i>Low</i>
<i>Stakeholder Grievances</i>	<i>Moderate</i>	<i>Moderate</i>
Overall	Moderate	Moderate

Country Context	Moderate	Moderate
Political Commitment	Low	Low
Risk: Frequent change in government remain a risk but is unlikely to affect project delivery and implementation.	Low	Low
Mitigations: The project management unit is shielded from political influences and the project has good appreciation by communities.		
Governance	Moderate	Moderate
Risk: Community-based planning and implementation is a key feature of OIWWP methodology so results will depend on extent to which communities engage.	Moderate	Moderate
Mitigations: (i) outcomes (or objectives) in social and economic sectors pertaining to a community to be identified at the beginning of the planning process; (ii) existing priority problems and solutions per each outcome to be then identified that are preventing a particular outcome from being achieved; (iii) linkages with other programmes will be supported by OIWWP, to address to community priorities outside of OIWWP scope; and (iv) community contributions to implement the CDP activities should also be elicited.		
Macroeconomic	Moderate	Moderate
Risk: Growth will be effected by the global economic crisis with the onset of the corona virus.	Moderate	Moderate
Mitigations: (i) Fundamental change in the governance structures for rural communities and outer islands beginning a process that will empower communities and build more self-reliance at all levels to address community development needs. (ii) this strategy will assist the communities to gain a clear understanding of the development process and the possible sources of development assistance that will support their development needs and priorities'.		
Fragility and Security	Low	Low

Risk: There are currently no COVID-19 cases in Kiribati, and international airport is currently closed. Kiribati has limited capabilities to handle an outbreak.	Low	Low
Mitigations: The country is receiving significant support from New Zealand to address the risk.		
Sector Strategies and Policies	Low	Low
Policy alignment		No risk envisaged - not applicable
Inherent and calculated residual risks are low		
Policy Development and Implementation	Low	Low
Risk: Outreach of Government is low.	Low	Low
Mitigations: Project places emphasis on a bottom up approach, engaging Island Councilors and ensuring that farmers have the technical skills to better linked to identified agricultural value chains.		
Environment and Climate Context	High	Substantial
Project vulnerability to environmental conditions	Substantial	Moderate
Risk: The project locations are prone to extreme metrological events such as flooding and drought. The extended drought periods have impacts on the target populations, particularly reduction of water availability and agriculture productivity. There is also a possibility of conflicts over water particularly during the times of shortage.	Substantial	Moderate
Mitigations: - Strong, effective Water User Groups backed by active involvement of Island Councils -Support water harvesting, targeting most vulnerable households - Ensure water management plans and drought management plans are developed - Develop mechanism and procedures within communities to resolve any potential conflicts over water which might likely arise.		
Project vulnerability to climate change impacts	High	Substantial
Risk: The project is located in low-lying coastal areas/zones which are experiencing considerable climate change impacts, such as flooding, droughts, tropical storms, heat waves, sea level rise, salt water intrusion, ocean warming and acidification. These have already resulted in reduced water resources and agricultural productivity. The nursery and home gardening activities under Component 2 could be seriously impacted during the dry or drought periods, if no coherent and realistic planning on the provision of water.	High	Substantial

<p>Mitigations:</p> <p>(i) Development of drought management plans (notably for nursery, home gardening, and water catchment and storage system) for better planning of water usage in the times of shortage.</p> <p>(iii) Implement climate smart infrastructure and climate resilient agriculture activities (e.g. promote drought tolerant varieties for nurseries and home gardening, soil and water conservation measures, etc.)</p>		
Project Scope	Low	Low
Project Relevance		No risk envisaged - not applicable
No risk envisaged		
Technical Soundness	Low	Low
<p>Risk:</p> <p>(i) Remoteness, transport and communication obstacles which could result to under achievement of Project objectives, outcomes and outputs.</p> <p>(ii) Lack of community financial contributions for community economic infrastructure and sustainable livelihoods.</p>	Low	Low
<p>Mitigations:</p> <p>Realistic activities and realistic targets in the Logical Framework; with the IFAD supervision.</p> <p>Island Councils actively engaged and providing local support</p>		
Institutional Capacity for Implementation and Sustainability	Moderate	Moderate
Implementation Arrangements	Moderate	Moderate
<p>Risk:</p> <p>(i) MELAD staff/consultant retention.</p> <p>(ii) Inability of MAFFF to fulfil its role of providing extension officers for farmer field schools and related extension activities.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>Strengthened project management, competitive remuneration and collaboration with relevant government agencies.</p>		
Monitoring and Evaluation Arrangements	Low	Low
<p>Risk:</p> <p>Lack of finance for community economic infrastructure and sustainable livelihoods.</p>	Low	Low
<p>Mitigations:</p> <p>Support the design of additional rural development projects with ODA partners.</p>		
Project Financial Management	Substantial	Moderate
Project Organization and Staffing	Substantial	Moderate

Risk: -During 2019-2020 several Finance Officers recruited and left causing the gap in FM, current FO joined project in early 2021. -The FO has experience in Reckon, accounting software and has progressed improvement in setting up the FM system however continuous training on IFAD disbursement and reporting is still required. -Collaboration with KFSU needs to be strengthened to ensure the oversight of KFSU.	Substantial	Moderate
Mitigations: -Intensive FM training for new FO. -Ensure long-term commitment for FO position. -Ensure coordination with KFSU on FM matters.		
Project Budgeting	Substantial	Moderate
Risk: -2021 AWPB was prepared but PMU received late N.O from IFAD. -KSF was planned for 2021 AWPB but never been expended. -Budget in accounting system is not matching with AWPB.	Substantial	Moderate
Mitigations: -Ensure 2022 realistically prepare and obtain N.O from IFAD. -Maintain latest budget information and report in accounting software.		
Project Funds Flow/Disbursement Arrangements	Moderate	Low
Risk: -Risk of misreporting source of fund if not properly recorded in the accounting system. -Slow implementation will delay the submission of WA.	Moderate	Low
Mitigations: -Timely submission of WA. -Ensure funding are separately reported in the SOE and DA reconciliation is correct.		
Project Internal Controls	Substantial	Moderate
Risk: -Ineligible expenditure (advance to FSPK) in phase 1 should be resolved in Q1 2022 - Internal audit is carried out by MFED frequently	Substantial	Moderate
Mitigations: -Follow up with MFED on advance to FSPK, resolve the ineligible expenditure in Q1 2022 -Share MFED internal audit report with IFAD.		
Project Accounting and Financial Reporting	Substantial	Moderate
Risk: -Source of fund is not correctly posted to correct bank account thus accounting software cannot produce correct source of fund report -Budget report is not matching with the latest AWPB. -Control of advance and advance register is not provided during the mission.	Substantial	Moderate

Mitigations: -Expenditure correctly posted to correct funding accounts -Budget in accounting software should be updated.		
Project External Audit	Moderate	Low
Risk: Management letter doesn't provide the scope of works on internal control.	Moderate	Low
Mitigations: Internal control should be focused and mentioned in the ML		
Project Procurement	Substantial	Substantial
Legal and Regulatory Framework		No risk envisaged - not applicable
Rules, regulations and procedures are in place		
Accountability and Transparency	Substantial	Substantial
Risk: There are few suppliers and experts in a small and remote country. The risk of collusion is high.	Substantial	Substantial
Mitigations: Coordination with other donors and development partners		
Capability in Public Procurement	Substantial	Moderate
Risk: The implementing agency has limited, thinly staffed systems and personnel in place for the administration, supervision and management of contracts resulting in adverse impacts to the development outcomes of the project.	Substantial	Moderate
Mitigations: IFAD trainings and use of NOTUS for regular oversight		
Public Procurement Processes		No risk envisaged - not applicable
Procurement is relatively efficient		
Environment, Social and Climate Impact	Moderate	Moderate
Biodiversity Conservation	Low	Low
Risk: The project is not envisaged to create significant threat to the loss of biodiversity in the project areas. On the contrary, the nursery and home gardening activities may contribute to improve local biodiversity and increase the availability of diversified nutritious food.	Low	Low
Mitigations: Promote plant diversification for nurseries and home gardening activities.		
Resource Efficiency and Pollution Prevention	Moderate	Low

<p>Risk:</p> <p>Risks may include agriculture pollution brought about by nursery and home gardening activities (if not well managed), as well as water contamination from the water catchment and storage facilities which might affect the health of local communities.</p>	Moderate	Low
<p>Mitigations:</p> <ul style="list-style-type: none"> - Implement organic agriculture practices to minimize agriculture pollution - Ensure adequate training for community water technician whose responsibilities include maintaining the quality and potability of water, and ensure continual skills sharing from community water technician to the rest members of water user group. - Explore grey water re-use options to provide safe avenues for disposal of household water. 		
<p>Cultural Heritage</p>		No risk envisaged - not applicable
<p>The project provides small scale investments for water harvesting and smallholder farming, which will have no impacts on cultural heritage.</p>		
<p>Indigenous People</p>		No risk envisaged - not applicable
<p>The project provides small scale investments for water harvesting and smallholder farming, which will have no impact on IP systems, assets or practices.</p>		
<p>Labour and Working Conditions</p>	Low	Low
<p>Risk:</p> <p>Potential exclusion of women in some project activities (e.g. awareness and trainings). Potential conflicts related to the allocation and use of water, which highly depends on the social cohesion of each water user group (WUG). Use of chainsaws to fell senile palms creates safety risk if proper training, operating procedures and personal protective equipment not applied</p>	Low	Low
<p>Mitigations:</p> <ul style="list-style-type: none"> - Adopt an inclusive approach to ensure no discrimination, full engagement of women in project activities, and avoid gender based violence - Awareness raising and training on gender equality and women's empowerment, and elimination of violence against women - Develop mechanism for conflict resolution for WUGs to address any potential conflicts that may arise. - Procurement and distribution of chainsaws subject to strict conditions on compliance and use 		
<p>Community Health and Safety</p>	Moderate	Moderate
<p>Risk:</p> <p>There are numerous health issues throughout Kiribati, with high mortality and morbidity from communicable and non-communicable diseases (NCDs), including respiratory infections, diarrhoeal illness, eye and skin infections, dengue, ciguatera fish poisoning, and other water, food and vector-borne diseases. The situation is compounded by poor diets, inadequate water supplies, inadequate personal hygiene, and limited awareness of links between potable drinking water, sanitation, diet, and health.</p>	Moderate	Moderate

<p>Mitigations:</p> <ul style="list-style-type: none"> - Strengthen linkages with the Ministry of Health (MoH) to ensure that health related issues are fully addressed within the project - Awareness raising and training on health issues and WASH (water, sanitation and hygiene). 		
Physical and Economic Resettlement		No risk envisaged - not applicable
no updates		
Greenhouse Gas Emissions	Low	Low
<p>Risk:</p> <p>Some project activities under Component 2, such as livestock activity and the use of inputs for home gardening may have risks in increasing GHG emissions, although these would be very small indeed considering the small scale of these activities. Chemical fertilisers are not available on the Outer Islands.</p>	Low	Low
<p>Mitigations:</p> <ul style="list-style-type: none"> - Promote and implement organic agriculture practices (e.g. using organic fertilizer which will emit lower GHG than chemical fertilizer) - Introduce an implement composting to manage/reduce GHG emissions from livestock activities. 		
Vulnerability of target populations and ecosystems to climate variability and hazards	High	Substantial
<p>Risk:</p> <p>The project locations are prone to extreme climatic events such as flooding, drought, tropical storms, etc. The extended drought periods have impacts on the target populations, particularly the reduce of water availability and agriculture productivity. There is also a likelihood of conflicts over water particularly during the times of shortage.</p>	High	Substantial
<p>Mitigations:</p> <p>The project prioritises rain water harvesting to improve household access to drinking water. In case of droughts, there is risk that agricultural activities supported by the project will be affected. In addition, IFAD TA is exploring low cost solutions for water desalination, use of brackish water, grey water re-use and hydroponics solutions to maximise water productivity.</p> <p>Other mitigation measures:</p> <ul style="list-style-type: none"> - Ensure water management plans and drought management plans are developed - Develop mechanism and procedures within communities to resolve any potential conflicts over water which might likely arise. 		
Stakeholders	Moderate	Moderate
Stakeholder Engagement/Coordination	Moderate	Low
<p>Risk:</p> <p>Technical expertise and private sector is limited in Kiribati, and outreach to outer islands is costly. COVID-19 has further restricted access to international expertise.</p>	Moderate	Low
<p>Mitigations:</p> <p>The project is mobilising local experts; and focusing on expanding existing solutions/successes in Kiribati and other atoll islands (e.g. Tuvalu), working with a range of partners.</p>		
Stakeholder Grievances	Moderate	Moderate

<p>Risk:</p> <p>Government's grievances system is weak. Access to web and similar grievance recording channels is low.</p>	<p>Moderate</p>	<p>Moderate</p>
<p>Mitigations:</p> <p>The project team is working with Ministry of Youth and Women to ensure GBV cases can be recorded and channelled through local police or other avenues. IFAD will also work with the project team to build a grievance system into regular M&E.</p>		