

Myanmar

Eastern States Agribusiness Project

Supervision Report

Mission Dates: 12 - 26 November 2020

Document Date: 08/01/2021

Project No. 1100001730

Report No. 5609-MM

Asia and the Pacific Division
Programme Management Department

Abbreviations and Acronyms

ABF	Agribusiness Fund
AWPB	Annual Work Plan and Budget
CDGS	Community Development and Gender Specialist
COVID-19	2019 Corona Virus Disease
DALMS	Department of Agricultural Land Management and Survey
DAR	Department of Agricultural Research
DOA	Department of Agriculture
DRD	Department of Rural Development
ESAP	Eastern States Agribusiness Project
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plans
FARM	Fostering Agricultural Revitalization in Myanmar
FAO	Food and Agriculture Organization
FFS	Farmer Field School
FMD	Finance Management Division
FPIC	Free and Prior Informed Consent
FY	Fiscal Year
HH	Household
IFAD	International Fund for Agricultural Development
ICIMOD	International Centre for Integrated Mountain Development
ICP	IFAD Client Portal
IA	Internal Audit
IP	Implementing Partner
IWUMD	Irrigation and Water Use Management Department
KC	Knowledge Center
KCM	Knowledge Center Manager
KM	Knowledge Management
M&E	Monitoring and Evaluation
MIID	Myanmar Institute of Integrated Development
MMK	Myanmar Kyat
MoALI	Ministry of Agriculture, Livestock and Irrigation
MONREC	Ministry of Natural Resources and Environmental Conservation
MoPF	Ministry of Planning and Finance
NO	No Objection
NPSC	National Project Steering Committee
O&M	Operation and Maintenance
PDR	Project Design Report
PIM	Project Implementation Manual
PIO	Project Implementing Office

PLUP	Participatory Land Use Planning
PMU	Project Management Unit
PP	Procurement Plan
PWC	Project Working Committee
SALT	Sloping Agriculture Land Technique
SCG	Savings and Credit Group
SECAP	Social, Environmental and Climate Assessment Procedures
SISM	Supervision and Implementation Support Mission
SPCC	State Project Coordination Committee
ToC	Theory of Change
ToR	Terms of Reference
UNOPS	United Nations Office for Project Services
USD	US Dollar
VAEDN	Village Agricultural Extension Development Network
VC	Value Chain
WA	Withdrawal Application
WUG	Water User Group

A. Project Overview

Region:	Asia and the Pacific Division	Project at Risk Status:	Potential problem
Country:	Myanmar	Environmental and Social Category:	B
Project Name:	Eastern States Agribusiness Project	Climate Risk Classification:	2
Project ID:	1100001730	Executing Institution:	Ministry of Agriculture, Livestock and Irrigation
Project Type:	Agricultural Development	Implementing Institutions:	Ministry of Agriculture, Livestock and Irrigation
CPM:	Alessandro Marini		
Project Director:	Dr. Zaw Lwin Tun		
Project Area:	Kayin State and Shan State		

Approval Date:	15/09/2017	Last audit receipt:	09/06/2020
Signing Date:	26/03/2018	Date of Last SIS Mission:	26/11/2020
Entry into Force Date:	26/03/2018	Number of SIS Missions:	2
Available for Disbursement Date:	28/12/2018	Number of extensions:	0
First Disbursement Date:	28/12/2018	Effectiveness lag:	6 months
MTR Date:	not available yet		
Original Completion Date:	31/03/2024		
Current Completion Date:	31/03/2024		
Financial Closure:	not available yet		

Project total financing

IFAD Financing breakdown	Asia and the Pacific Division	\$1,501,100
	IFAD	\$56,732,400
Domestic Financing breakdown	National Government	\$4,904,000
	Beneficiaries	\$2,021,500
Co-financing breakdown,		
Project total financing:		\$65,159,000

Current Mission

Mission Dates: 12 - 26 November 2020

Days in the field: N/A

Mission composition: Mr Jerry Jing Pacturan, IFAD CPO and Mission Leader; Mr Yolando Arban, Project Management and M&E Consultant; Mr Michele Pirazzoli, Rural Infrastructure Consultant; Mr Art Tantuan, Procurement Consultant; Ms Chi Nguyen, FM Consultant; Mr Jorma Routsu, Rural Finance Consultant; Mr Fabrizio Vivarini, IFAD Regional Finance Officer; Ms Kisa Mfalila, IFAD ECG Staff; Ms Audrey Nepveu de Villemarceau, IFAD Global Technical Specialist, Water and Infrastructure; Ms Marie-Aude Even, IFAD Senior Regional Technical Specialist, Agronomy; Mr Harold Liversage, IFAD Global Lead Specialist, Land Tenure; Ms Giulia Barbanente, IFAD PMI Land Tenure Consultant; Ms Esha Singh, IFAD Technical Analyst, Agribusiness and Markets; Ms Thiri Wai, IFAD Country Programme Facilitator; and, Alessandro Marini, IFAD Country Director.

Field sites visited: N/A

B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		4.0	Assessment of the Overall Implementation Performance		3.5

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

Sustainability and Scaling-up	Ø	Rating	Financial Management and Execution	Ø	Rating
Institutions and Policy Engagement		4	Acceptable Disbursement Rate		2
Partnership-building		4	Quality of Financial Management		3
Human and Social Capital and Empowerment		4	Quality and Timeliness of Audit		4
Quality of Project Target Group Engagement and Feedback		4	Counterparts Funds		4
Responsiveness of Service Providers		4	Compliance with Loan Covenants		4
Environment and Natural Resource Management		4	Procurement		3
Exit Strategy					
Potential for Scaling-up					

Relevance

C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

An IFAD team conducted a remote supervision and implementation support mission from 12th to 26th November 2020 to assess the progress of the project and the status of actions agreed in the December 2019 supervision and implementation support mission.

The mission was conducted through virtual meetings with various project stakeholders, the National Project Steering Committee (NPSC) members and senior officials of the Ministry of Agriculture, Livestock and Irrigation (MOALI), the Irrigation Water Utilization and Management Department (IWUMD), the executing agency of ESAP, the Project Management Unit (PMU) and staff and relevant MOALI departments involved in the implementation of ESAP. Supplemental field interviews through remote video calls between the mission members and farmers benefitting from project interventions were carried out. The kick-off and wrap-up meetings of the mission was chaired by IWUMD Deputy Director General and ESAP Project Director Dr. Zaw Lwin Tun.

Key Mission Agreements and Conclusions

Disbursements. Total amount disbursed to the project to date is USD 5,535,335.04, of which USD 4,975,335.04 was for the loan and USD 560,000.00 for grant. Combined disbursement rate is equal to only 10% of the financing instruments. The reported government contribution for FY 2019-20 is USD 715,946 which corresponds to 49% of the annual budget of USD 1.47 million. Cumulative contribution amounts to USD 796,590 or 16% of the cumulative estimates made at the design stage.

Financial management FM. Project has addressed some of the gaps highlighted in the last SISIM, including the full set-up of the PMU FM, the development of a draft FM manual, the internal audit function has been established, and a marked improvement in data management and reporting was noted by the Mission. The FM risk is affected by persistent gaps in the accounting function, as the project has not yet procured and installed an accounting software. The setting up the IFAD Client Portal (ICP) is a key priority for the project.

Overall physical and budget performance of the Project for current FY is estimated at 30%. There were adjustments in the 2019-20 AWPB and APP with a total cost of USD 7.914 million. Civil works for Component 1 performed well during this period accomplishing 28 packages over a plan of 40. The rest of the civil works (which also include services) will be completed by December 2020 while 4 packages have been transferred to the next FY. Construction of 14 KC buildings was reported completed by mission time. The 29 goods procurement packages assigned to DOA were unaccomplished. Of the USD 9.2 million loan budget and USD 721,000 grant budget for the year 2019-20, the project spent USD 4.9 million (50% of annual budget).

Project management progress. The Project has functioning steering and coordinating bodies at union and state levels. The implementation arrangement is complex which entails working with several MOALI departments by way of service agreements, some of which needs improvement to capture the full set of activities to be delivered by partner departments. Implementation will be augmented by service providers who are still to be procured. While most project staff at PMU and PIO levels are on-board they are still incomplete which affects project implementation. The full set of UNOPS international specialists and national analysts needs to be on-board to provide management and technical advice. Project M&E systems are not fully in-place with the logframe, theory of change, TOR for the baseline outcome survey still to be finalized.

The key mission findings agreed by the Project are the following: (i) complete the project staffing at PMU and PIO levels and facilitate effective coordination and implementation of activities at union and state levels; (ii) ensure the on-boarding of UNOPS specialists; (iii) complete the procurement of the service providers; (iv) increase household outreach and improve the targeting strategy for key activities on land development, knowledge centers services, agro-forestry and agricultural extension, agri-business development and rural financial services; (v) finalize the logframe, baseline survey TORs and prepare the M&E plan; (vi) prepare a gender strategy, document the FPIC processes and improve the PLUP procedures; (vii) collaborate closely with the IFAD TA for the preparation of environment and social safeguards framework and plans for selected sites and activities; (viii) finalize the finance manual, complete the requirements for accession to the IFAD internet client portal, purchase the accounting software and ensure proper counterpart recording; (ix) improve procurement planning and compliance with IFAD procurement procedures, including contract administration and management, and records retention.

D. Overview and Project Progress

Component 1 Strategic Investments

Component 1.1 Land Development

There was a leap forward in implementation of investments in irrigation rehabilitation in both States. The financial execution of the 2019-20 AWPB for irrigation works implemented by IWUMD stands at 82% of the USD 5 million budgeted (of which about USD 4 million from the IFAD Loan). Physical progress includes: i) the completion of the first phase of rehabilitation works for Namkhwe weir in Hopong valley and Segyi weir (both in Shan); ii) the implementation of 15 drainage channels and 3 sluice gates for flood recession irrigation, 6,800 ft of main channel lining works and side road construction and the implementation of a solar pumping pilot in Kayin. The USD 0.9 million shortfall on the implementation of irrigation works included in the 2019-20 AWPB is mainly due to the late finalization of designs to the required standards^[1] for two weirs in Hopong valley of Shan (Nam Me Thar and Nam Paung Lin). The estimated total aggregate outreach of irrigation investments is about 4,600 acres (20% of PDR target) and 1,955 HHs in Shan and 8,531 acres (i.e. 75% of PDR target) and 1,908 HHs in Kayin. While in Shan the investments are closely aligned with those pre-identified in the PDR, in Kayin the project has been proactive in diversifying the type of interventions within the project area based on evolving farmers' needs and State level IWUMD investment plans.

The project has also succeeded in implementing two pilots for the introduction of relevant innovations including small solar pumps in Kayin and a borehole with a common ground tank for sprinkler and drip irrigation in Shan. Additional complementary investments to improve road connectivity within the command areas of the targeted irrigation schemes were undertaken in Shan, partly implemented by DRD.

Community participation in irrigation works implemented by IWUMD has been secured through meetings led by township PLUP teams, with the participation of the CDGS of each PIO.

On the reported achievements in terms of WUGs establishment (89 in total or 25% of project end target), the activities carried out during the review period were limited to the initial steps of WUGs formation, with their registration at the village level. The planned activities on capacity building for WUGs were deferred to the AWPB 2020-21 in light of COVID-19 related restrictions.

Component 1.2 Community Agroforestry

Domestic water supply systems under agro-forestry consisted of 5 gravity-based systems in the remote areas of Thandaunggyi of Northern Kayin, and 6 systems with solar pumps feeding a main tank in Shan was implemented by DRD directly involving beneficiary HHs for the installation of PVC pipes and meters for HH connections. IWUMD has also implemented investments in domestic water supply fed by tube wells in 10 villages and one gravity scheme in Shan, reaching out an aggregate of 22 villages (44% of project end target).

More technical options for individual upland irrigation systems. The pilot borehole for irrigation implemented in Than Lun village in Shan State constitutes the sole technical option so far tested by the project which is suitable for upland irrigation. The project should continue testing technical options for affordable small scale individual irrigation system in the uplands which could be scaled up through agribusiness development and rural financial services.

Seventy villages (20 villages in Kayin State and 50 villages in Shan State) have been identified for the agro-forestry activities and village profiles have been collected. TOR for the Agro-forestry activities have been developed that Project needs to finalize for IFAD no objection. UNOPS is planning to recruit a Conservation Agricultural Specialist from January 2021 who would strengthen project technical capacities for that component and help coordinate with associated service provider. Service provider is expected to produce protocols for agro-forestry activities in collaboration with the DOA Land Use Division and the local communities.

Moving forward, the Project needs to (i) clarify targeted areas for agro-forestry and SALT (ii) clarify potential land tenure and social inclusion issues for agro-forestry; (iii) Expand scope of "SALT" protocol along participatory and people/community driven implementation; (iv) strengthen technical capacities required to develop SALT participatory protocol and quick start implementation in early 2021.

Component 2: Enabling Investments

Component 2.1 Knowledge and Technology

Construction of KCs. During the review period, the project signed a Service Agreement with DOA for the construction of 9 KCs in Shan and 5 KCs in Kayin, which are mostly completed, constituting 32% of project end target. As two KCs in project areas were built prior to ESAP start by the Kayin State government, there are currently 16 KCs to provide a dedicated logistical base to deliver services to targeted farmers. The KC building locations were selected based on the visibility and access criteria (in line with draft PIM), including the requirement of community donation of the land to be used for construction.

KC operational and staffing issues. The project has submitted a KC operational manual, the PIM, Value Chain Analysis studies and the village profile information for 270 villages of Shan State and 104 villages of Kayin State. KC managers (KCM) have been assigned for all the 16 KCs. The KCMs have been unable to carry out any activities on the ground due to several factors including: lack of water, electricity and furniture in completed KCs; lack of motorbike and operational budget assignment for KC manager activities, field visits and demonstrations. KCM activities were also affected by

COVID-19 related restrictions. In addition, as per KC operational manual, KCMs have several responsibilities across all project activities which give them little time for actual agricultural extension activities. Service provider shall not replace core DOA extension activities expected from KCs. Hence, provisions need to be made to ensure at least 2 DoA staff at KC with additional support from township staff as needed. Accordingly, the project shall the total number of KC's that could be effectively constructed, equipped, and staffed and revisit KC location and associated villages to keep the initial planned outreach. Mechanisms to strengthen research-extension linkages and involvement of DAR beyond specific seed supply needs to be clarified.

KC numbers, locations and outreach issues. For the current FY, DOA budget has been cleared for only 3KCs in Shan which means that maximum 19 KCs could be functional by end of 2021. AWPB 2020-21 only plans activities for the 16 KCs to be finalized by end of 2020. The Project was advised to implement agri extension activities in the covered villages even if KC buildings are still to be constructed in order to achieve outreach targets. To meet the outreach targets, the project could adopt a cascading approach of trainings, for instance starting along FFS to form strong village extension agent and farmer group leaders who then support replication of trainings in their groups/village

Technical assistance. The hiring of Service Provider (SP) for agriculture extension and agro-forestry activities is delayed. TORs have been drafted but do not clearly highlight specific SP roles, responsibilities, reporting lines and targets, and seem to imply that service provider may be responsible for all KC activities. In addition, lessons from WSAP and FARM procurement suggest that the earliest the SP can be onboarded and operational is by Q3 of Myanmar fiscal year. Yet, agricultural training activities for the monsoon season need to be initiated from March 2021 (land preparation, planning for crop selection and seeds etc.). This requires participatory planning of agricultural activities by February 2021. Thus, preparatory planning activities and training for KCMs need to start from January 2021. MOALI has already a curriculum and capacity for FFS but it does not integrate the various ESAP thematic areas and KCMs need to be trained in agricultural planning and FFS participatory approach.

Component 2.2 Services for Agribusiness Development and Financing

Agribusiness Development

Under this sub-component, it is expected that one-third or approximately 15,000 ESAP-supported farmers are part of forward contracts by post-harvest companies/private agribusinesses and USD15 million is extended per season to these contracted farmers through value chain financing (along specific needs in production, harvest and post-harvest activities). The project has identified 5 priority crops for certified value chain development. These include 3 in Shan (Avocado, Corn and Soybean) and 2 in Kayin (Paddy and Groundnut) based on a value chain analysis of 10 predominant crops in the 2 states through household surveys and several stakeholder consultations. The VC analysis could be further improved in coordination with the update to the village profile information for improved targeting of households for agribusiness development.

Under the knowledge and technology component, the outreach for extension and value chain development activities is contingent on formation and strengthening of farmer groups, which not only receive capacity building on pre-production/production but also on post-harvest management, mechanisation, etc. The farmer groups would also form the basis of aggregation and marketing of produce as part of forward contracts with agribusinesses/private sector. Technical assistance to farmers on inputs, technologies and post-harvest could also be incorporated as part of the contracts negotiated with the private agribusinesses. It is also recommended that post-harvest and marketing related trainings are integrated in FFS, demonstration trails and farmer-to-farmer visits and adopt a similar cascading approach as detailed in section on knowledge and technology.

For FY 2020-21, the project plans to conduct an assessment of post-harvest practices, to determine the current practices at village level, post-harvest losses in select commodities and potential practices, infrastructure needs for post-harvest management. The value chain specialist as part of this assessment should consult with private sector companies to determine their current practices and requirements as part of contract farming or out-grower schemes. These would need to be incorporated as part of training and capacity building under KC extension services.

The project through UNOPS TA will also on-board an international value chain consultant starting Feb/March 2021. Apart from providing TA on the VC studies, the consultant in coordination with the rural finance international consultant should complete a needs assessment for proposing feasible options, mechanism for financing of agriculture value chains and post-harvest and processing equipment based on but not limited to existing modalities as part of project design i.e. credit guarantee and matching grants.

Rural Finance Services

The rural finance activities are still at the early planning stage, with field operations expected to start in 2021. It should be noted that as the planned beneficiaries are members of either SCGs or other farmers' thematic groups, the strict travel and meeting restrictions related to COVID-19 would in 2020 have in any case significantly complicated and delayed the required group mobilisation and training activities in the villages.

In December 2019, it was decided that the Agribusiness Fund will not be included in the ESAP operations particularly as, according to MOALI, the current legal framework in Myanmar does not allow ABF-type of relatively large grants to private

companies. Therefore, it was agreed that the ESAP rural finance funding would be used to support two partly inter-related key objectives: (a) the development of a strong SCG network in the areas covered by the ESAP-supported KCs, to increase financial inclusion and encourage savings and small on-farm and off-farm investments and (b) to facilitate a financial linkage for ESAP-connected and trained farmers to access seasonal credit and small capital investment loans from participating financial institutions, to improve farmers' productivity and to diversify their production to better earning crops.

The key rural finance related ESAP appointments and UNOPS international TA support have not materialised as agreed during the December 2019 SISIM. These staff resources are critically important to speed up the progress of activities, particularly as the implementing Departments have limited capabilities and experience on rural finance and banking.

Progress in SCG Development. The key implementation responsibility in the SCG development will be with the Service Providers. At the time of this SISIM, the evaluation of technical proposals was still on-going. PMU plans to complete the technical evaluation by 30 November 2020 and submit the results for IFAD's NO. The PMU expects to finish the SCG Service Provider recruitment in January 2021. The SP contracts cover the support to 250 SCGs of around 20-25 members for both ESAP regions.

As agreed in December 2019, to speed up the development impact and outreach of the promoted SCGs, ESAP would use project funds to establish a window from which successful SCGs could apply for capital grants for on-lending to increase their portfolio volumes with the SCG members. The internationally recruited UNOPS Rural Finance Specialist would assist in the development of the eligibility criteria for these grants.

Agricultural Credit to ESAP Beneficiaries. An important element in reaching the project's agricultural modernisation targets is the ESAP-supported provision of loans to farmers for seasonal inputs and small investments. The core borrower group for these loans will be the members of thematic agricultural groups and SCGs that have been trained in agricultural skills and basic business skills by ESAP. As no agricultural groups or SCGs have yet been established by ESAP, the actual lending operations to these project beneficiaries would not start before the financial year 2021-22.

As designed, the linkage between ESAP beneficiaries and financial institutions would be established through a credit guarantee mechanism based on ESAP-financed portfolio guarantees. In the view of the mission, the proposed guarantee mechanism with commercial banks is a relatively complex and not necessarily the most efficient and effective method to support the provision of agricultural loans to the target groups, particularly taking into consideration the limited rural finance implementation capacity in IWUMD. Different options for ESAP-supported credit provision would be re-assessed, to reach the most implementable and efficient financing solution. A potential, simpler solution could be a credit line-based arrangement with a rurally oriented MFI or a bank, with the project providing investment capital for this lending operation as well as limited start-up support to strengthen the presence of the participating financial institution in the ESAP area.

[1] Refer to action agreed under Component 1 in the December 2019 SISIM, with an agreed completion date of end January 2020 for all designs.

Agreed Action	Responsibility	Agreed Date
Hiring of specialists Fast tract the hiring of the following: (i) irrigation engineer international TA (ii) social and environmental safeguards specialist (ii) rural finance international TA and local expert	PMU/IWUMD	03/2020
ToRs and recruitment of service providers (i) Prepare TORs, procure the service provider and hire for agro-forestry and agri-extension, value chain, and market facilitation services, SCG promotion and submit to IFAD for N.O. (ii) Procure service providers and have them on board	PMU	04/2020
Guidelines for SCG capitalization Develop guidelines for the use of ESAP funds for capital grants to SCGs	PMU	05/2020
Guarantee funds for banks Review the need for guarantee funds for banks	PMU, Experts	

E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus

Effectiveness

Rating: 4

Previous rating: 4

Justification of rating

Project aims to impact on 45,000 farming HHs (lowland and upland) with a target of at least 22,000 farmers adopting more efficient agricultural practices, and at least 1/3rd of farmers adopting high value crops in irrigated land and uplands. Accomplishment of targeted outputs under Component 1 is on track. Estimated total outreach of irrigation investments is 4,600 acres (20% of PDR target) and 1,955 HHs in Shan and 8,531 acres (75% of PDR target) and 1,908 HHs in Kayin. Implementation of domestic water supply systems is on track reaching 22 villages (44% of project end target). Component 2 is still on its preparatory stage: establishment of 14 KCs and of hiring service providers for agriculture extension and agroforestry services, and for saving and credit group services. 89 WUGs (25% accomplishment) were also formed.

Log-Frame Analysis & Main Issues of Effectiveness

The Logframe is under review by the Project team. The team is also understanding the sequence of investments and results by establishing the Project's Theory of Change (ToC). So far, there are no major revisions in the Project's hierarchy of results except for fine tuning of statements. The Project has now a better understanding of the Project's logic.

There are some issues in the logframe related to indicators formulation and targets setting. For example, there are indicators that are costly to collect like child nutrition standards and difficult to measure like increase in income. Main interventions of the project are on the agricultural sector, thus, increase in income may not be the appropriate indicator --- can be on the increase in production or jobs generated via the value chains. Another example is this indicator --- "At least 45,000 farmers in lowland, upland and agro-forestry have continuous access to water all year round", however only 24,000 farmers will have improved irrigation. There are also outcome indicators that are stated as outputs: example, Fertility of degraded mountain slopes is restored. The project sees some issues on targets which are either difficult to achieve based on the initial result of the village profiling, e.g. 20,000 acres in Shan State are rehabilitated as terraces through the SALT methodology. There are also some targets at the logframe which do not add up with targets expressed in the PDR. In the logframe, it is stated that at least 12,000 households benefit from incremental job opportunities created through VC development at completion; however, the PDR states that the project is expected to generate 5,245 jobs opportunities in agribusinesses and 12,207 full-time job equivalents as agricultural labour.

The Project has to reconcile with the targets stated in the PDR and the logframe. At the bottomline the Project is expected to benefit about 62,627 households (314,970 people). Of these, it will directly benefit about 45,175 households (228,422 people), and will generate full time jobs for another 17,390 households (86,548 people).

Development Focus

Targeting and Outreach

Rating: 4

Previous rating: 4

Justification of rating

Project reported an outreach of 15,610 (25% of 62,500 HHs) with 1,312 female-headed HHs. Infra subprojects outreach is 12,822 HHs (20% of overall targets). The Project has to catch up with achieving its target HHs of 45,000 that includes 17,000 landless. The 374 villages profiled show 26,421 HHs who owned land below 10 acres considered belonging to moderate to very poor socio-economic categories, and 20,434 as landless. The Project needs to expand to other villages to reach the 45,000 HHs. While the PIM has described the criteria for selection of agroforestry areas and location of KCs, it needs to define selection criteria for HHs/individuals who will participate in the farmers' groups and savings and credit groups.

Main issues

There is a need to step up the strategies in reaching the 45,000 hhs. Aside from the KC, the Project has to improve its training approaches, utilisation of village agricultural workers as envisaged in the KC manual, formation of farmer groups, and improving farmer to farmer (f2f) exchange and knowledge sharing through village planning and evaluation meeting, social media coverage e.g. facebook video and viber group exchange. In training, the Project needs to adopt a cascading approach. Starting along FFS to form strong village agent and group leaders who then support replications in their groups along participatory trials. Such can be achieved with planned 200 FFS and 2,000 trials to reach the target 20,000 agricultural hhs but may need to be expanded to reach meaningfully 45,000 HH and expanded number of villages. In reaching the 20,000 acres for SALT in Shan State, it has to approach this on village tracts not only on 50 villages. Building on improved village profile data and land tenure assessment, the PIOs can identify feasible SALT targets, associated

villages and beneficiary farmers, and identify dissemination and adoption strategy within agro-forestry groups. Similarly, it should also adopt a cascading approach in training as discussed under FFS.

Increasing the Outreach. In Thandaungyi, the Project has completed preparatory activities in 20 villages with high potentials for high value crops. Investments in these areas should continue as this will increase project outreach and strengthen the reputation of the government and IFAD. The mission and the project also agreed that the possible extension of the project area to Kyainseikgyi Township in Kawkareik District in Kayin state is to be evaluated at MTR on the basis of prospects for integration between irrigation investments in the plains with agroforestry activities in villages on the Dawna mountain range following a watershed approach.

Agreed Action	Responsibility	Agreed Date
Household selection criteria Draft selection criteria for household participation in CIGS and SCGs	PMU/PIOs	12/2020

Gender equality & women's participation

Rating: 4

Previous rating: 4

Justification of rating

Project has reported sex disaggregated data including the participation of youth and ethnic groups in community activities. Of the 88 WUGs organized, 1,565 are men (72%) and 603 women (28%). Men participation in community consultations is high. In Kayin of the 42 community consultations, 598 were men (68%), 278 were women (32%). In Shan, of the 32 community consultations, 813 were men (70%), 343 were women (30%). There is a need to increase the participation of women in project activities. Shan PIO was able to capture youth participation (39% in community consultations) while Kayin PIO has not. In both states, they have captured the participation of ethnic groups. In Kayin 4 ethnic groups participated in community consultations while in Shan there were 9 ethnic groups .

Main issues

There is no gender strategy and corresponding action plan developed by the Project. The CDGSs who had been with ESAP for more than a year at the PIOs have been mainly engaged in the mobilization of communities and other stakeholders and the administration of the village profiling. It was agreed that as soon as the UNOPS safeguards specialist to be on board by January 2021, this specialist together with the CDGSs will develop a gender strategy/action plan and the conduct of and documentation of the free and prior informed concern (FPIC) process for the project. As to beneficiary feedback, there are provisions in the PIM that community grievances will be resolved at the WUGs, KC Board, and during PLUP process, but have not elaborated compensatory/mitigating actions arising from displacement (either social or economic) due to project activities. There is an ongoing environmental and social safeguards' review for ESAP which will tackle these issues.

Agreed Action	Responsibility	Agreed Date
Gender and social inclusion action plan Prepare a gender and social inclusion (including FPIC process and documentation) action plan	PMU/PIOs	01/2021
Social safeguards specialist Mobilize UNOPS social safeguards specialist	UNOPS/PMU	01/2021

Agricultural Productivity

Rating: N/A

Previous rating: 4

Main issues

There is not yet any quantitative assessment of impacts in agricultural production as farmers have just recently started using the completed irrigation facilities for the first cropping season (mainly monsoon or post monsoon paddy). However, it shall be noted that in order to achieve the potential increase in cropping intensity in irrigated paddy lands, farmers' awareness and capacity need to be built through dedicated extension services. The early delivery of such services from the KCs will be key to achieve and sustain increases in agricultural productivity for both irrigated areas and upland areas, taking into account climate and water challenges. In addition, research-extension linkages with DAR need to be implemented.

In addition, as envisaged in design, for farmers to actually be able to implement technical advise, it is key that KC

implement pluralistic services to ensure farmers have access to The project shall ensure that stronger farmer groups are formed to exchange knowledge and facilitate access to various services across project components. The FFS and other extension activities should serve as an integration tool combining group dynamics, agricultural planning considering climate/water/market needs, farm economics & minimal financial literacy, and integrate marketing, post harvest and value chain development activities. To ensure sufficient outreach, last mile agents are key. Village Agricultural Extension Development Network (VAEDN) could have transversal functions to help farmers access services from KC and develop income generating mechanisms when they facilitate transactions and partnership to access input, market and credit;

Finally, it is key for KC to have a strong monitoring system to monitor adoption of technologies and results at farm level so as to understand potential constrains and be able to steer activities in the write direction.

Agreed Action	Responsibility	Agreed Date
Service agreement with DALMS (i) Finalize service agreements with DALMS for land registration. (ii) Undertake first phase of cadastral survey	PMU / PIO	05/2020

Nutrition **Rating:**

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

Justification of rating

The current project work plans, initial activities and KC manual integrates climate change adaptation across components and logical framework. Investments in irrigation upgrading in both states provide options for adaptation to mitigate the impacts of increasingly frequent flooding in the plains and to the increased irrigation requirements during the dry season by reducing water losses in irrigation channels. The future steps in upgrading of schemes in the Hopong valley will benefit from findings from two consecutive hydrological studies geared to detect and ultimately reflect in the design and in the operation of the irrigation schemes climate change considerations. “Agro-forestry options shall increase water infiltration, help control erosion and risks for downstream investments, Rural finance activities shall help diversify income and strengthen resilience of households.

Main issues

The first Hydrological study undertaken to support the development of irrigation schemes in the Hopong valley highlighted the major challenges to the application of quantitative assessments of relevant hydrologic parameters in irrigation design. However, the study identified appropriate approaches to detect climate change impacts in the target area (though a trend analysis on streamflow records) and provided the basic information (monthly minimum flows at weir sites with difference probabilities of exceedance) to carry out simulations of water availability under different crops, cropping patterns and calendars that may provide relevant adaptation options. Obvious challenges remain to the application of comprehensive approaches factoring in climate change impacts on the rehabilitation of irrigation schemes throughout the project area an in Myanmar in general.

For agroforestry, the Project needs to consider the following: (i) review the feasibility of current SALT targets and watershed expected impacts in view of insufficient assessment of agro-ecological and socio-economic feasibility to implement SALT in targeted areas; insufficient number of targeted villages; insufficient incentive mechanisms to help poor farmers make such investments along limited demonstration and without yet and agricultural financing strategy; and, the project has not yet developed tools and approach to implement an integrated watershed approach. (ii) Use information from the hydrological studies to mainstream further climate change in operations so that agricultural practices are well adapted to changing climate patterns and implications on increasing uncertain rainfall patterns, extreme events and water availability. To invest in climate adapted practices and technologies (including along water harvesting, adapted seeds, post harvest management etc.), farmers may need access to finance; (iii) Strengthen monitoring and evaluation on climate change: At the moment, the project logical framework mainly refers to adoption of climate smart agricultural practices. As planned in design, the project could identify scope to strengthen monitoring of cropping patterns and climate resilience in its M&E system.

Agreed Action	Responsibility	Agreed Date
Hydrological study on Hopong valley Phase 2 Second phase of Hydrological and Irrigation requirements study for the Hopong Valley in Shan completed	PMU	03/2021
Strengthen outreach of SALT/SLM activities i) expanded village profile and participatory village mapping to review feasibility of targets and broaden scope of "SALT" package; ii) cascading approach between FFS, plots and demonstration and link to value chain and rural finance components; iii) expand target from village to village track and review feasibility of proposed additional area in Kayin; iv) develop instrument to foster further watershed dialogue within KC and township planning and develop pilot with service provider.	PMU	03/2021
Integrate climate change and water in agricultural activities i) Integrate climate change and water availability in FFS curriculum and village agricultural development planning; ii) identify scope for agricultural financing	PMU	03/2021

b. Sustainability and Scaling up

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

With KCs as platform for agriextension/agroforestry services, ESAP has huge potential for embedding a public-private extension strategy. SCGs as village level financial institutions is also a key project intervention. VC development will provide market access and complements SCG activities together with MFIs to be contracted through guaranty or subsidiary loan arrangement. IFAD-financed grant ICIMOD provides the context, opportunities and potentials for sustainable land management and appropriate agroforestry/agriextension approaches the Project intends to implement. Recruitment of private service providers will bring in the knowledge and innovation and in line with Myanmar's agricultural development strategy 2018-2023 of pursuing private sector support to government agricultural programs.

Main issues

Developing policy engagement strategy on extension reform building on lessons learnt across IFAD portfolio. On the agricultural activities, the project is developing new institutional mechanisms to facilitate pluralistic, decentralized and participatory extension systems through knowledge centre which are supposed to sustain beyond project and could contribute to lasting enhanced government capacity to deliver demand driven services to smallholder farmers. Such KC include the allocation of decentralized staff, inclusive governance mechanisms through KC board including village participation, participatory planning from community to KC and Township and fostering partnership with different departments of the Ministry of agriculture, research, value chain actors and MFI. In addition, it will be piloting last mile outreach system through voluntary extension workers and grassroot organizations and seek to integrate monitoring and evaluation at KC which shall increase accountability and evidenced based planning. Different business models and exit strategy are supposed to be developed to sustain such KC. Similar or different institutional innovations are being developed and tested across Myanmar IFAD portfolio. MoALI could facilitate cross learning and exchanges across projects engaged on such KC development and identify best practices and policy mechanisms which could facilitate sustainability and scalability of such innovations.

Strengthening enabling environment for agro-forestry and SLM interventions in upland and degraded forest areas. Implementation of sustainable land management and agro-forestry options requires further clarifications on land use and land tenure framework to facilitate adoption of innovations across the landscape and by different farmers with different access to land. In addition, it requires collaborations across different ministries and ministry departments which may not be used to work together. Both WSAP and ESAP are trying to facilitate adoption of SLM in different upland settings. WSAP is also confronted to similar issues and seeking to develop its expertise and approach to intervene in shifting cultivation hill areas and implement participatory agro-forestry interventions mindful of local contexts and complex land tenure issues. ESAP could also seek to collaborate with WSAP on such topic and organize joint knowledge management and policy engagement efforts with other partners working on such topics.

Appropriate and simpler rural financing models. The proposed guarantee mechanism with commercial banks is a

relatively complex and not necessarily the most efficient and effective method to support the provision of agricultural loans to the ESAP target group, taking into consideration the weak rural finance implementation capacity with IUWMD. Different options for ESAP-supported credit provision would be re-assessed, to reach the most implementable and efficient financing solution. A potential, simpler solution could be a credit line-based arrangement with a rurally oriented MFI or a bank, with the project providing investment capital for this lending operation as well as limited start-up support to strengthen the presence of the participating financial institution in the ESAP area.

The KM strategy that is still for development will capture these integrated approaches of smallholder agricultural development with strong private sector involvement in knowledge and technology, market access and financial services.

Agreed Action	Responsibility	Agreed Date
Conduct an assessment on ESAP-supported options for agricultural finance	UNOPS Specialist/ PMU	05/2021
Start negotiations on preferred ESAP agricultural finance arrangement with financial institutions	PMU/UNOPS/ Financial Institutions/ MOPFI	07/2021

Partnership-building

Rating: 4

Previous rating: 4

Justification of rating

The current partnership the Project has established is with the different government departments of MOALI which are implementing the project. In 2021, this will expand to service providers for the implementation of agricultural services and agroforestry and the formation of savings and credit groups (SCGs) with procurement underway. Project has initiated private sector engagement through VC studies. It is expected however, that once the value chain activities are implemented and the SCGs will function, private sectors such as private companies and financial institutions will be on board.

Main issues

While the lead agency is IWUMD under MoALI, the project components will be delivered by various implementing partners including several departments within MoALI. Working partnerships with the various departments within MoALI have been established with basic service agreements signed. The project in alignment with the country programme also aims to build business partnerships with agribusinesses for value chain integration based on contractual relationship/ out-grower schemes for smallholder farmers/groups with private agribusinesses and financial partnerships with MFI's/financial institutions.

While KC activities including formation of farmer groups is yet to start, the PMU initiated contact with several traders and processor in Shan and Kayin provinces to understand key challenges and requirements to setup forward contracts. It is expected that during FY 2020-21 the project will capitalise on these initial discussion as it initiates mobilisation of target beneficiaries/farmer groups for extension related activities and enable forward contracts before the start of the cultivation season.

Type of Partnership	Details of potential partnerships explored by the project.
Implementing Partners	The project-implementing partners include several MOALI departments (DoA, DRD, DAR, DALMS etc.), with whom it has signed service agreements. The project has assigned a focal point for engaging with DoA but needs to improve further its engagement with DAR and DALMS related to extension research, participatory trials and land issues.

Private Sector	<p>Private sector consulted during value chain analysis include –</p> <ul style="list-style-type: none"> · Shan: Avocado Processor (Packing House) from Hopong, Avocado Traders from Taunggyi, Corn Processor and Trader from Yak Sawk, Soy Bean and Garlic Trader form Taunggyi, Rice Miller from Shwe Nyaung, Garlic wholesaler from Aungban and Soy Bean Tofu Processor from Aungban) · Kayin: Rice Mill Owner and Trader (President of Mon Rice Mill Association) from Thaton, Durian Trader and wholesaler from Kawkareik, Groundnut and Sesame Trader from Mawlamyaing (President of Mon Trader Association) and Rubber Processing Plant (A Lin Tan Co.) from Hpa-an). <p>Issues related to collective marketing and quality of produce were highlighted in the discussions. It is expected that the service provider once on boarded will review the issues raised and address them through KC led training/capacity building activities.</p>
KM and policy related	<p>The project aims to engage with WSAP and FARM projects in Myanmar to capitalise on lesson learnt from implementing similar activities related to KC's as well as financial services through establishing savings and credit groups, matching grants etc. s</p>

Human and Social Capital and Empowerment

Rating: 4

Justification of rating

The Project is on its early stage of organizing groups and empowering them. Currently, there are 89 water user organizations with a total membership of 2,168 member hhs (4% female headed hh). There are no capacity building activities yet except for an orientation about the project and the responsibilities of the WUG. It is expected that in villages and with KC's, farmer groups and SCGs will be organized, and relatedly they will be provided with training and other project services.

Main issues

Activities related to formation and capacity building of farmer groups, SCG's for extension, value chain and rural finance related activities is yet to kick-off. While, preparatory work including development of KC Manual, PIM and village profile have been completed, there are gaps in the final outreach and defining inclusion criteria for project activities. The mission suggests expansion and improvements to village profile information to capture the number of farmers, HH by land type & tenure as well as defining selection criteria for inclusion in Farmer groups, saving and credit groups.

The project heavily focusses on SCG and WUG but does not clearly plan for farmers groups. Yet, such farmers groups shall be the main entry point to implement production and value chain activities in an integrated way and to later access to agricultural finance. Such groups would be also the major entry point to **strengthen outreach for pluralistic services through KC's**, the project could adopt a cascading approach of trainings, starting along FFS with village extension agents and farmer group representatives, who then support replications in their groups along participatory trials. Further, Village Agricultural Extension Development Network (VAEDN) shall also be a key rural institution to help farmer's access services from KC. Special efforts are needed to develop sustainable business models for such network and agents, developing for instance a self-sustaining income generating mechanisms through facilitating transactions and partnership to access input, market and credit.

The formation of savings and credit groups (SCGs) still has to commence with the procurement of the service provider expected towards the end of 2020. The SP contracts cover the support to 250 SCGs of around 20-25 members for both ESAP regions. Once the SPs are on board, the first task is to develop the SCG Field Operations Manual, with uniform approaches for both ESAP regions.

To speed up the development impact and outreach of the promoted SCGs, ESAP would use project funds to establish a window from which successful SCGs could apply for capital grants for on-lending to increase their portfolio volumes with the SCG members. The core eligibility criteria for the grants should aim to ensure that an eligible SCG (a) has reached an adequate competence and activity level in its savings and credit operations, (b) applies proactive policies to raise savings from its members to finance internal SCG lending and (c) has established a strong cohesion and repayment discipline to be able to successfully operate also larger, capital grant-financed loans.

The interested SCGs would apply for capital grants for on-lending from the PIO of their region. Supported by an institutional assessment of the SCG by the SP, the PIO management would recommend the approval or rejection of the

grant to the PMU. The procedures for the processing of the capital grants would be developed based on the FARM procedures and the IFAD guidelines for grant-based operations. The proposed maximum grant per SCG would be USD 5,000, which would indicate that a total allocation of around USD 2.0 million would need to be made for this purpose from the ESAP rural finance budget (the final funding need depending on the SCG success rate). At the group level, these capital grants for on-lending would enable continuous internal financing of more sizable investments in crop, livestock, and off-farm development, with a potential major impact on household income levels.

Agreed Action	Responsibility	Agreed Date
Complete the SCG SP recruitment	PMU	02/2021
Finalise SCG Field Operations Manual, including guidelines for ESAP on-lending grants	SPs, UNOPS Expert	05/2021

Quality of Project Target Group Engagement and Feedback

Rating: 4

Justification of rating

Some WUGs are just newly organized and other target group still have to be mobilized. It is early to assess the WUG performance in carrying out basic O&M functions. Project manuals emphasize commitment to participatory process and of FPIC. KC manual emphasize participatory selection of agricultural technologies, adoption of FFS and participatory demonstrations. It includes inclusive governance mechanisms through KC board with beneficiary groups participation, including village participation and participatory planning from community to KC and Township. It will be piloting last mile outreach system through voluntary extension workers. It seeks to include strong monitoring and evaluation functions at KC which shall increase accountability and evidenced based planning.

Main issues

To date investment in infrastructure is clearly unbalanced towards the irrigated lowlands, where rice framers (in most instances land owners) have actively requested project support to the upgrading of irrigation schemes and formed WUGs. Communities in the uplands have requested and benefitted primarily from domestic water supply systems and thus have to be consulted.

Following the initial steps of WUGs formation, with their registration at the village level, the planned activities on capacity building for WUGs were deferred to the AWPB 2020-21 in light of COVID-19 related restrictions. In order to foster WUGs uptake of basic O&M functions it is noted that capacity building on maintenance duties and schedules need to be tailored to the physical characteristics of the irrigation system concerned (e.g. solar pumps, flood recession irrigation etc.). Moreover, the project will need to develop WUGs performance assessment tools to identify gaps in capacity and participation.

Beneficiaries of investments in domestic water supply, which includes 5 gravity based systems in the remote areas of Than daung Gyi of northern Kayin, have been met virtually by the mission and showed commitment and overall understanding on how to operate and maintain the systems. Moreover, it was reported that some villages applied positive discrimination for poor HHs to support them carry out the HH connections. Such approaches could be actively promoted by the project at the sub-project identification stage.

The project could enhance measures to account for diversity of target households and specific needs of more marginal households. At the moment KC board include village heads but does not include specific strategy to ensure that different types of households and beneficiary are represented in such board and planning systems. Indeed, needs and interest will be different for land owners having access to irrigated plots, agro-foresters, landless households with farming or off farm activities, households with livestock activities, men, women and youth etc. Therefore, project could develop mechanisms so that different target groups are appropriately represented within planning mechanisms and KC board. The formation of thematic beneficiary groups shall facilitate the review and analysis of thematic needs and proposals.

The project could also expand further institutionalize mechanisms for KC to register target households and ensure two way mechanisms to facilitate feedback and grievance mechanisms. For instance, KC could hold physical and digital registers to document beneficiary feedback and requests along specific planning / survey exercise and more openly across project activities.

Responsiveness of Service Providers

Rating: 4

Previous rating: 4

Justification of rating

The implementation of irrigation works shows a relatively high execution rate (82% of planned in 2019-20 AWPB) by state

level IWUMD, the shortfall being mainly connected to the admittedly challenging tasks of the IWUMD design branch to complete engineering designs during an extremely tight timeframe. DRD did also perform well in implementing water supply projects. The anticipated collaboration with DALMS still has to materialize.

Main issues

While, the lead implementing agency for the ESAP project is IWUMD under MoALI, the knowledge and technology services through the KC’s and value chain activities will be managed by the DoA. A basic service agreement has been signed with DOA, but it relates only to the KC buildings and not necessarily to the whole scope of services to be delivered at the KC’s. Further, the scope of work with DAR is limited to seed production and research related activities. For the next year, it is also noted that while the project has budgeted for 7 KC’s in Kayin state and 3 in Shan, DoA has budgeted only for 3 KC’s in Shan and none in Kayin. It is thus suggested the project ensure stronger coordination with DOA especially regarding budget coordination, processes, hiring of SPs, activity harmonisation, etc. The project must also engage with DAR to expand scope of support to backstop participatory agricultural planning and trials under component 2.

Two service providers one for agroforestry, agri-extension and market linkages and another for financial services are still to be contracted and on-boarded. The draft terms of reference of the service providers lacks clarity in terms of targets, reporting lines as well as roles and responsibilities of various Implementing partners, technical specialists under PMU and UNOPS. With the delay in procurement of service providers, the mission also recommends hiring of national consultants to initiate planning activities for component 2 early in the year for trainings to commence before the next cropping season.

The project was reportedly unable to operationalize the SA with DALMS approved by IFAD, pending an agreement on the DALMS service fee to be approved by the NPSC. At this stage the mission urges the project to promptly address this issue and to clearly define the areas to be prioritized for cadastral validation in light of the following: i) the construction of new alignments (both for irrigation channels, drains, farm roads) requires drawing formal agreements with concerned land owners on the basis of updated and validated cadastral data; ii) the PLUP process for pilot Land Consolidation requires an ex-ante cadastral validation to be used as a basis for the reconfiguration of the plots and for the equitable distribution of the reduction in net cropping area; iii) the exact number of beneficiaries cannot be computed and double counting can not be avoided unless based on cadastral records; iv) the cadastral validation and subsequent re-issuance of land titles (Form 7) is a key activity in ESAP design contributing to a specific Logframe Outcome indicator^[1].

While UNOPS mandate under the grant is to provide management and technical advice including capacity building for the Project-hired staff and government staff, the consultants have instead provided direct implementation support to the Project. IFAD discussed and have agreed with the ESAP PMU possible improvements on implementation of targeting and outreach, quality of the contracts with implementing partners (e.g, DOA, DALMS), TORs of service providers, procurement planning and execution. These fall under the responsibility of UNOPS to execute the grant through quality advice and efficient technical assistance. IWUMD and UNOPS agreed that for the last year of UNOPS support, all necessary national and international specialists should be fully fielded by UNOPS.

[1] Outcome level indicator “Natural resources are more productively managed in an eco-friendly way and agro-forestry villages are less isolated”, with the ambitious project end target of 187,000 acres of cadastral surveys and 15,000 incremental HHs issued with Form 7

Agreed Action	Responsibility	Agreed Date
Contracting DALMS Define the areas to be prioritized for cadastral validation Finalize service contracts with DALMS	PMU	12/2020
Finalize the UNOPS plan and budget taking into account mission recommendations and submit to IFAD for no objection	IWUMD	12/2020
Finalize the list of specialists/analysts and fast track the hiring of international specialists and national analysts	UNOPS with IWUMD and IFAD	01/2021

Environment and Natural Resource Management

Rating: 4

Justification of rating

While it is too early to assess project impact on environment, environmental sustainability is part of project objective and mainstreamed in logical framework, components and initial planning and activities. Agro-forestry activities of component 1.2 aims at reversing land degradation and contribute to decrease deforestation pressure. The KC manuals states that all agricultural activities shall build on existing indigenous practices, comply with Myanmar Good Agricultural Practice

protocol and Myanmar Plant Health System Strategy elaborated with CABI. Some initial partnership along organic/agro-ecological value chain have been identified.

Main issues

Foreseen under the project would be the development of the physical conditions for enhanced water management through e.g. better control over water distribution and reduction of losses through lining. Among the key intended benefits of investment in agroforestry and infrastructure on the slopes, is to reduce losses of topsoil and ultimately sedimentation on the irrigation schemes. However overall investments on the slopes are lagging behind schedule and such environmental benefits are not yet materialized.

The use of georeferenced data and satellite images may constitute key element to support planning of project activities and identifying downstream/upstream relationships essential to promote a watershed approach. In the specific case of the Segyi weir and Nam Latt stream catchment the analysis of the geographic spread of targeted villages provided already relevant insights on the need to proceed with project support to agro-forestry in the upper catchment of the stream located within the Taunggyi Township territory as a sediment control mechanism.

The computation of environmental minimum flows on the main stream (Nam Tamhpak) in the Hopong valley in relation to water withdrawals from irrigation and other uses (domestic, livestock, industry...) is to be carried out within the context of the proposed additional study to be commissioned to IWUMD hydrology branch in cooperation with the IWUMD design branch (see agreed action under the section above on climate change).

Moreover, while noting that the specific Logframe target to provide irrigation to 20,000 incremental acres of uplands shows an evident mismatch with project financed activities and overall potential for the target areas (to be reviewed at MTR), the project should continue testing technical options (including e.g. rainwater harvesting) for affordable small scale individual irrigation system in the uplands.

Fragile upland & degraded forestry areas are particularly sensitive to erosion and pollution leakages which may also have impacts on water quality downstream. Therefore, the project needs to pay close attention to input use and promote more strongly soil testing and integrated fertility management including development of locally feasible bio-inputs and crop association mechanisms.

In addition, such areas usually have important local biodiversity and render various ecosystem services services which are negatively affected by land and environmental degradation. Design of crop package and seed multiplication systems could seek to identify locally relevant species which could be conserved and more widely used in farming systems because of their nutrition and environmental values.

In addition to monitor productivity gains, the project could try to identify ways to monitor and document more closely environmental services of promoted practices.

Finally, project shall now pay attention to ensure implementation of such principles in activities and associate required partners and expertise as needed. To facilitate sustainable adoption, the project shall also identify incentive mechanisms along specific value chains, including through certification mechanisms and price premium etc.

Exit Strategy	Rating:
Potential for Scaling-up	Rating:

c. Project Management

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

The Project has functioning steering and coordinating bodies at the union and state levels. The SPCC in both Kayin and Shan served the functions of the NPSC and the PWC at the state levels. At the township level, the Project envisages to utilise the Township Planning and Implementation Committee for coordination of project activities. The PMU and the PIOs are all set up.

Main issues

Need to strengthen Project Management Project needs to strengthen its coordination role among MOALI departments concerned with the implementation of various project activities. During the review period the following weaknesses were noted: i) lack of agreement with DALMS on the execution of cadastral surveys; ii) limited oversight on procurements carried out by DRD and DOA (under inter departmental Service agreements); iii)lack of communication in the critical stage of preparation and approval of Union Level departmental budgets in the government system (particularly for DOA).

Project implementation is planned, coordinated, monitored and reported at the PIO level. All PIOs have now basic facilities such as office building, except for project vehicles which are essential for project operations. Project staffing at the PIO is minimal. IWUMD assignment focuses on engineering works. Interfacing between the PIO staff and other implementing partners (government and service providers) has to be defined. To do this, each PIO should have an organizational structure by 15 December 2020 showing the relationship, coordination, communication and reporting lines between and among the PIO and other implementing partners: government agencies and service providers; with coordination bodies: SPCC, TPIC, VG; and with implementing bodies: PLUP, KC Board.

Given the key role of PIOs in project implementation, there is a need to strengthen PIO capacities by (i) hiring the recommended staffing in Components 1 and 2; (ii) finalizing the assignment and availability of IUWMD and other government focal persons for the project; (iii) agreeing on the systems and procedures of project coordination and communication between the PIO and PMU, and with government implementing agencies and service providers; (iv) rolling out implementation manuals and guidelines for better understanding and execution of project strategies and activities; and (v) providing capacity building to PIOs which includes mentoring and coaching.

A draft PIM together with KC operation manual were uploaded in NOTUS on 3 December 2020 and is being reviewed for NO issuance. The procurement manual was submitted in September 2020 and commented by ICO for a number of times and went through a back and forth of reviews. A revised version was submitted for NO review. The finance manual was already given NO after the mission. IFAD will provide comprehensive comments to the PIM and KC manual and PMU will finalize it by 15 January 2021.

Agreed Action	Responsibility	Agreed Date
Hiring of Project staff Fast track the hiring of key staff and UNOPS short-term consultants at the PMU and PIOs and hiring of specialists to support KC operations should be based on demand	PMU/UNOPS	03/2020
PIO organogram and define coordination functions Prepare organizational structure at PIOs that shows the lines of coordination, communication with other implementing partners and management bodies such as the TPIC and SPCC and define their respective coordination functions	PMU/PIOs	12/2020
PIM finalization Finalize the PIM and conduct PIM orientation to all project staff and implementing partners	PMU	01/2021
Fast track the hiring of key staff and UNOPS short-term consultants at the PMU and PIOs and hiring of specialists to support KC operations should be based on demand	PMU/UNOPS	03/2021

Knowledge Management

Rating: 4

Previous rating: 4

Justification of rating

ESAP maintains a project website (<https://www.esapmm.org/>) both in the English and Myanmar languages that includes the basic information about the Project. The website is an important initial step for an online repository of documentations on lessons learned and knowledge products.

Main issues

Project still needs to develop a KM and Communication plan. There are project strategies under ESAP that needs to be documented, e.g. SALT, agro-forestry and tenurial status of farmers, KC model, SCGs. The Project should prepare a KM/communication plan by the first quarter of 2021 and assign the M&E specialists at the PMU at PIOs to lead in implementing the plan. Management should assign a focal person for KM and communication at the PMU and PIOs KM Unit.

Aside from developing a KM/Communication Plan, the Project should be proactive in learning from experiences and studies going on in Myanmar and in the region. It can benefit from existing studies and knowledge to deliver interventions in agroforestry and in hilly areas. In Shan, ICIMOD has worked closely with the Myanmar Institute of Integrated Development (MIID) on sustainable interventions in hill and shifting cultivation areas. MIID, with MOALI, has recently

published extension manuals for uplands in Myanmar. FAO has recently published trainer's manual on climate smart agriculture, including agro-forestry and SALT in coordination with the Ministry of Natural Resources and Environmental Conservation (MONREC) and MOALI. The LIFT project also recently published comprehensive assessment of farming systems including in Kayin. The WSAP is also developing its expertise and approach to intervene in shifting cultivation hill areas and implements participatory agro-forestry intervention. ICIMOD is under grant with IFAD to support expertise development in intervening in shifting cultivation areas, with operational guidelines to be developed. The Project should engage discussion with these organizations to leverage existing knowledge, identify potential areas of collaborations and technical backstopping, and to collaborate with WSAP for policy engagement related to shifting agriculture and related topics. Similar knowledge management and partner engagement efforts could be developed to support development of extension and KC approach, facilitating exchanges of experiences between Farm, WSAP and other projects setting similar process.

Agreed Action	Responsibility	Agreed Date
KM/Communication plan Prepare a knowledge management/communication plan	PMU/PIOs	01/2021

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

Justification of rating

The financial execution of the 2019-20 AWPB for irrigation works implemented by IWUMD is satisfactory at 82% of the USD 5 million budgeted (of which about USD 4 million is from the IFAD Loan), compared to an aggregate investment of only USD 64,000 during the previous AWPB. On the other hand, the financial execution and physical outputs for knowledge centers, almost all completed, are according to target. Rural financial services still remains at preparatory phase and the service provider not yet on board. Agroforestry service provider is also for procurement. Overall, financial performance is affected by COVID and the budget cap assigned to Myanmar.

Main issues

Comparison between physical achievements and expenditures. The project's performance has been affected by a late start-up of activities with the first disbursement received in December 2018, which is 9 months after the FA entry into force. However, the comparison between physical and financial performance of programme does not show significant shortfalls. Project's activities are generally implemented within the original budgets. The likelihood of achieving the desired results and outcomes is not affected by the current expenditures rate, and it will mostly depend on the capacity of the Programme to implement future (ambitious) work-plans in a timely and effective fashion. The expenditures analysis also suggests that funds are generally spent with due regard to economy and efficiency.

Recurrent costs. Recurrent costs (salaries and operating costs) are low, and the review did not reveal any issue of potential concern regarding the efficient use of recurrent costs.

Coherence between AWPB and Implementation **Rating: 4** **Previous rating: 4**

Justification of rating

Overall physical performance of the Project in this fiscal year is estimated at 30%. There were adjustments in the 2019-2020 AWPB and APP with a total cost of USD 7.914 million. Civil works under Component 1 were doing well during this period accomplishing 28 packages over a plan of 40 packages. The rest of the civil works (which in fact also include services) will be completed by December 2020 while four packages have been transferred to the next fiscal year. Construction of 14 KC buildings was reported completed by mission time. The 29 goods procurement packages assigned to DOA were unaccomplished. Cadastral validation activities with DALMS (civil works package) were not also implemented this fiscal year. Of the USD 9.2 million loan budget and USD 721,000 grant budget for the year 2019/20, the project spent USD 4.9 million (50% of annual budget).

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

Justification of rating

ESAP's M&E system is on development stage. The Project is now finalizing the formulation of its Theory of Change, updating its Logframe, preparing the ToRs for the baseline outcome survey. It has submitted to IFAD the results of the village profiling exercise (270 villages in Shan and 104 in Kayin) and a draft M&E manual. The post for M&E specialist at the PMU is vacant, and there are no M&E specialists at PIOs ever since. The PM is assuming the M&E tasks at the PMU and CDGSs at the PIOs. IFAD is supporting the Project by contracting an international M&E consultant to do preparatory work for ESAP's M&E in November-December 2020. This international M&E consultant will be on-board in ESAP for a

three-month period beginning January 2021 under UNOPS' contract.

M&E System Review

The Project's M&E system involves different sets of data to be captured; multi-levels of data collection, analysis and reporting (village, township, state, union); and has several stakeholders (project beneficiaries, local administrative bodies, government agencies, service providers) as users of data/information. It also has to establish a management information system that will store the data collected, and which will generate information for reporting to different users. (See diagram below). To respond to these M&E demands, management should: (i) recruit M&E specialist at PMU by December 2020 and M&E specialists for PIO Kayin and PIO Shan not later than the first quarter of 2021, (ii) agree with government implementing partners and service providers to assign M&E focal points, (iii) assign the KC assistant as the M&E focal points at the KCs, (iv) finalize the M&E manual together with the capture and aggregation forms by the first quarter of 2021.

Village Profiling. The Project has profiled 374 villages out of 2,473 registered villages in the 8 target townships: 270 villages over 934 villages in Shan, and 104 villages over 1,439 villages in Kayin. The selection of villages was subjected to certain criteria, among them --- villages covered by or adjacent to the irrigation schemes and presence of upland areas. Initial data gathered provides a roadmap for project strategies; however, the current village profile while providing a lot of information on overall status of production activities and beneficiary characteristics, does not clarify the number of farmers, villages and type of crops based on land type (lowland, upland, sloping land) and land tenure (form 7, customary, land ownership/lease). During the virtual visits, the villagers reported that there are existing community groups and interventions provided by NGOs, e.g. micro financing. This type of information is also critical in reaching out those who most need the project. The village profiles when properly done will guide the project in effective targeting and outreach.

To fully maximize the village profiles for project investments and activities, there is a need to validate the data e.g. socio-economic classification of hhs which is only based on land ownership and capture additional data required by components 1 and 2 investments. Improving the methodology of the village profiling will be jointly led by the International M&E consultant, PMU and PIO M&E specialists with the participation of national safeguard specialists and CDGSs. The rolling out of an improved village profiling methodology will be carried by the M&E specialists at the PIOs with the support of service providers and KC managers/assistants beginning first quarter of 2021.

Agreed Action	Responsibility	Agreed Date
M&E plan and M&E system (i) Draft an M&E Plan (ii) Develop an M&E system	PMU	06/2020
PIOs full time M&E specialist Assign full time M&E specialists from IWUMD deployed at PIOs. A TOR should be submitted to IFAD for review	PMU	12/2020
Baseline outcome survey TOR Complete the TORs for the baseline outcome study and submit documents to IFAD for no objection.	PMU	12/2020
PMU M&E specialist Hire M&E specialist at the PMU. Include in the TOR task to perform KM functions	PMU	01/2021
Village profile Improve the village profiling methodology, validate the results of 374 village profiles and conduct village profiling to additional villages	PMU/PIOs	01/2021
Baseline outcome survey Conduct the baseline outcome survey not later than the first quarter of 2021	PMU/PIOs	03/2021

Social, Environment, and Climate Standards requirements**Rating: 3****Justification of rating**

A SECAP Review Note was prepared at project appraisal and key measures to mitigate environmental and social risks and impacts were identified. Some of the mitigation measures have been implemented as part of project activities under Component 1 including drainage canals designed with a hydraulic gradient that will mitigate the risk of salinization and waterlogging and allow efficient flow of sediment loads. The completed works related to lining in the main channels will minimize bank erosion and waterlogging.

SECAP Review

Some key mitigation measures have not been implemented yet which include: (i) establishing environmental flows to meet the minimum requirements for different water users dependent on streams/rivers supplying water to the irrigation schemes, (ii) preparation of PLUPs, and (iii) community agro-forestry and SALT activities which will promote soil and water conservation.

A SECAP Review Note (2015) was prepared at project appraisal and recommended preparation of an Environmental and Social Management Framework (ESMF) before project start-up and site-specific Environmental and Social Management Plans (ESMPs) for infrastructure sub-projects. Key significant environmental and social risks and impacts identified included: (i) security of land tenure and access to natural resources for livelihoods, (ii) low agricultural productivity due to oversupply (flooding) or undersupply (lack of distribution canals) of water resources, (iii) unsustainable land use practices leading to increased soil erosion and sediment loads, (iii) increased impacts of climate change on monsoon rains and on availability of surface water, and (iv) the need for a more engaged participation of and ownership by ethnic groups/sub-groups and non-state actors in agricultural and rural development projects.

Two years into project implementation, both the ESMF and the site-specific ESMPs have not been prepared yet and some of the recommended measures in the SECAP Review Note have not been implemented. IFAD has hired a consultant to carry out environmental and social assessments for the project, focusing on risks and impacts to be generated by activities related to Land Consolidation, infrastructure works (rehabilitation works for irrigation schemes, tubewells, rural roads, Knowledge Centres and agro-forestry) and will prepare the following instruments: (i) An Environmental and Social Management Framework (ESMF) for the overall project, which will provide screening tools and guidance to the PMU on the appropriate level and scope of subsequent environmental and social assessments for activities which have not been implemented yet. (ii) Environmental and Social Management Plans (ESMPs) for four (4) selected project sites. (iii) Retroactive Environmental and Social Assessment (E&S Audit) for completed and ongoing project activities. This will involve assessing the extent to which environment and social risk and impacts were adhered to in the ongoing and closed activities. Where non-compliance is identified, a remedial action plan will be prepared.

PMU's capacity to supervise and monitor implementation of mitigation measures included in the ESMF and ESMPs is weak. The mission noted an ongoing recruitment of an environmental and social safeguard specialist under the UNOPS contract with a start date of early January 2021. The specialist will also support activities to be carried out under the Participatory Land Use planning and in developing the gender action. To ensure continuity after the contract of the UNOPS specialist ends, it was agreed that the PMU will appoint an environment and social safeguard government staff to be trained/work closely with the environmental and social safeguard national specialist to be hired under the UNOPS contract.

Agreed Action	Responsibility	Agreed Date
Appoint a focal environment and social safeguard staff from government	PMU/PIOs	01/2021
Mobilize UNOPS social safeguards specialist	UNOPS/PMU	01/2021

d. Financial Management & Execution**Acceptable Disbursement Rate****Rating: 2.0****Previous rating: 2****Justification of rating**

The total amount disbursed to the project to date is USD 5.3 million, of which USD 3.5 million was disbursed to the loan and USD 401,923 to the grant accounts. The combined disbursement rate is therefore equal to only 10% of the financing instruments. The project has submitted six WAs for replenishment of the loan DA.

Main issues

As of 31st October 2020, the project's cash balances at the DA and OAs was low at USD 34,000; an additional amount of USD 100,000 was received in November 2020 through the processing of WA #6. The project will submit an additional WA through the ICP system as soon as the system is installed

Agreed Action	Responsibility	Agreed Date
Request of the remaining amount of the Authorized Allocation 2.5 million	ESAP	12/2019

Fiduciary aspects

Quality of Financial Management

Rating: 3

Previous rating: 3

Justification of rating

The quality of FM is rated as moderately unsatisfactory. The project has addressed some of the gaps highlighted in the last SM, including the full set-up of the PMU FM unit with the recruitment of two accountants and the development of a draft FM manual; the internal audit function has also been established, and a marked improvement in data management and reporting was also noted by the Mission. However, the FM risk is affected by persistent gaps in the accounting function, as the project has not yet procured and installed an accounting software. The Mission is also concerned with the fact that the project is not yet being supported by an external financial management specialist (TA), as envisaged at design. The setting up the IFAD Client Portal is a key priority for the project.

Main issues

ICP. IFAD has almost completed the migration to the paperless processing of Withdrawal Applications through the online IFAD Client Portal (ICP); Myanmar, in fact, is the only country in the Asia and the Pacific Region not enrolled in ICP, notwithstanding the fact that similar platforms are in use in the World Bank's and ADB projects implemented under MoALI.

The Mission stresses the importance of having ESAP enrolled in ICP without further delay.

Organization and staffing. The Mission is pleased to notice that the FM team in PMU has been finally set-up and the positions of finance manager and (two) accountants have been filled with adequate personnel; UNOPS has also re-assured that the FM specialist (TA) has been selected and will be on board starting from January 2021. The PMU proposed a reorganization of the unit by having a senior accountant perform the finance manager's functions; in this respect, the Mission considers that the proposed arrangement should be re-assessed in the coming months, by reviewing the staff performance vis a vis the functions assigned to the new FM specialist (TA).

Accounting. The use of an accounting software is set as a condition under the financing agreement. The project is currently using MS excel for accounting and reporting purposes; this exposes the project to huge risks due to the security limitations of the software, virus exposure and corruption of files, possible human errors whilst manually entering the data, and the lack of an audit trail. Furthermore, MS excel does not allow for automatic monitoring of advances and commitments, preparation of financial reports (including annual Financial Statements), reconciliation of bank accounts, generation of payment vouchers and WAs. The risk is also amplified by the complex structure of the project and the number of cost centres operating under ESAP.

In adherence with standard policies and accounting requirements adopted by IFAD and other international donors (e.g. WB and ADB) the Mission recommends that PMU should initiate the process for the installation of an accounting software. To this end, PMU should liaise with WSAP that has already started the process for the identification of the software and preparation of ToRs. Once the ToRs are prepared, ESAP should seek all required authorizations from MoALI.

Flow of funds. The project is operating DAs and OAs as per the flow of fund arrangements agreed at the design stage. Funds to Ministry Departments are channelled to the OAs and expensed through the ministry accounts (MDs) in adherence with the department's regulation; reportedly, this structure has not affected the timely release of funds nor the payment process.

The Mission noted that the conditions for disbursement of funds to the Ministry departments are not clearly set out in the service agreements; as a result of this, the departments request and receive high advances (80% of the AWPB) even though funds can only be spent according to the quarterly authorization from the Ministry. This results in high fund balances sitting in the departments' OAs and MDs before quarterly authorizations are issued. Since the Service Agreements do not make specific provisions in terms of tranches and amounts of disbursements, the Mission trusts that PMU and the Ministry's departments can find the best solution able to address the liquidity need of both PMU and the departments.

Internal controls. ESAP is audited by the Internal Audit (IA) department of IWUMD on an annual basis; however, the IA

does not cover expenditures incurred under other departments (ID, DOA, DRD and DAR).

The project prepared a draft financial manual that describes the FM organizational set up and functions. However, the document requires improvements under the internal control, reporting and counterpart contribution sections. The accounting section needs be finalized once the accounting software is in use. IFAD Hanoi Hub will provide support through tailored training.

Agreed Action	Responsibility	Agreed Date
Draft ToRs for the procurement of an accounting software	ESAP	02/2020
Hire and train a new Finance Assistant for the PMU and Accountants (of deputed finance staff) in each relevant Department	ESAP	02/2020
Finance Manual including flow of funds preparation and approval	UNOPS/ESAP	02/2020
Follow up on the action plan agreed during the SM, for the purchase and installation of the accounting software	PMU	11/2020
PMU should submit the Letter of Users for the ICP roll out to MoALI and MOPFI and obtain all required authorizations without further delay.	PMU/MoALI	12/2020
The project should prepare interim financial reports (IFRs) on a semi-annual basis.	PMU	12/2020
Transfer of funds to the departments should be aligned with the quarterly authorization so to meet the related expenditure needs. PMU and the ministerial departments should agree on the best conditions to transfer funds that fit the liquidity need of both PMU and the departments.	PMU	12/2020
The Mission reiterates the recommendation that PMU should discuss with MoALI Department the possibility of assigning a full-time government staff under each relevant department, to the project.	Project Director	12/2020
The Project and ministry departments should discuss the current internal audit (IA) arrangements, to ensure that the results of all IA exercises are shared with NPSC and the Project Director.	PMU and departments	03/2021
Audit The project should ensure that the audit report is submitted in local language as well as in English. The translation shall be performed by a professional translator for validation by the OAG.	PMU	03/2021
Interim Financial Statements at half year intervals. Within 45 days after period end	ESAP	

Quality and Timeliness of Audit

Rating: 4

Justification of rating

Since the first audit report is not yet due, the default rating assigned to Quality and timeliness of Audit of ESAP is “moderately satisfactory”.

Main issues

ESAP is audited by the Office of the Auditor General of Myanmar. The first audit report will cover the period from inception

ESAP is audited by the Office of the Auditor General of Myanmar. The first audit report will cover the period from inception to 30th September 2020 and must be submitted to IFAD by 3rd March 2021 at the latest.

The external audit of the grant administered by UNOPS will be carried out in accordance with UNOPS external Auditing procedures, as stated in General Conditions of IWUMD – UNOPS agreement (General Conditions, paragraph 11).

Based on the current experience of IFAD funded projects, the quality and timeliness of the audit report requires considerable improvements and alignment to international standards. One aspect the mission noted for the first evaluation of ESAP audit report is the quality of the translation, which is recommended be performed by a professional translator for the validation of the OAG, before the submission to IFAD.

Agreed Action	Responsibility	Agreed Date
Submission of Audit report and Financial Statements 2018 – 2020	ESAP	03/2020

Counterparts Funds **Rating: 4** **Previous rating: 3**

Justification of rating

The counterpart funds is rated as moderately satisfactory. The government has been providing contribution to the project in a timely manner, in form of salaries of Government staff, machineries (under C1), office space and vehicles. The reported government contribution for the year 2019/20 is USD 715,946 which corresponds to 49% of the annual budget of USD 1.47 million; however, the low contribution rate is mostly due to the low project's implementation rate, rather than the timeliness of release of funds. Similarly, the cumulative contribution amounts to USD 796,590 or 16% of the cumulative estimates made at the design stage.

Main issues

The government contribution is provided in form of salaries of Government staff, rental equivalent of machineries (under component 1), office and vehicles. The AWPB presents a detailed breakdown of the counterpart funds; however, there is a need to verify and confirm that estimates are reasonable and recognized at a fair market value. The beneficiaries' contribution for the year 2019/20 amounts to MMK 31.5 million or USD 21,028 in terms of time for attending trainings, meetings and social mobilization. The project has not yet reported the beneficiaries' contribution in term of in kind contribution for infrastructure works. IFAD's Hanoi hub will provide a clear guidance on the capturing, monitoring and reporting the domestic contribution.

Agreed Action	Responsibility	Agreed Date
Ensure that beneficiaries' in-kind contribution for infrastructure works are captured, monitored and reported.	PMU	03/2021
Ensure that the current contribution in terms of offices rent equivalent are in line with current market values	PMU	03/2021
The project to establish a system to budget and track all the salaries of the government staff involved in the different departments.	ESAP	
The AWPBs of the project should clearly define the estimated amount of machinery utilization for land consolidation works.	ESAP	

Compliance with Loan Covenants **Rating: 4** **Previous rating: 4**

Justification of rating

The project's governance and management structures have been established. Most key legal covenants have been complied or in the process of being complied (PIM preparation). However, several conditions set out in the Appendix 1, are yet to be met: UNOPS still has to complete recruitment of technical assistance team at the PMU; the project is yet to install also a computerized accounting software.

Procurement

Procurement **Rating: 3** **Previous rating: 4**

Justification of rating

Processes, procedures and systems applied exhibit significant shortcomings and inconsistencies across some of the requirements. Project implementation is negatively impacted and delayed; implementation support is required; resolution of issues/constraints is likely but will take some time

Procurement Review

The mission has been provided copies of requested procurement documents. Project complied with agreed actions during the December 2019 Supervision and Implementation Support Mission, including submission of modifications to the draft Procurement Manual prior to the mission kick-off meeting. The Procurement Plan (PP) for Fiscal Year (FY) 2019-20 is not easily and publicly accessible being available only upon request. Execution of the PP is inconsistent, negatively impacting project implementation. Substantial project accomplishment is on civil works with 28 of 40 packages procured. However, together with 5 other individual consultant procurements, this total accomplishment of 33 packages only constitutes 36% of 92 programmed procurement packages. Other civil works packages including the cadastral validation for both states were transferred to the PP for the following FY 2020-21 despite the activity being a pre-requisite for project engagement in a number of budget intensive activities. No procurement of service provider firms was completed. No goods procurement was initiated by Department of Agriculture revealing institutional gaps and lack of coordination with focal department IWUMD.

Completed procurements were for civil works either by direct contract with IWUMD or national shopping method pursuant to thresholds as provided under the Letter to the Borrower. Although completed procurements are consistent with the PP, time estimates were not realistic. Average variance between planned and actual dates for KCs was 2 ½ months and 3 months for other civil works. Procurement of KCs commenced late. In Kayin, procurement of KCs started only on 20 April 2020, while those in Shan started on 15 May 2020. These delays contributed to the cancellation of the procurement of a number of consulting services, such as the KC based extensionists and rural finance specialists at state level. While Requests for Quotation provide for eligibility criteria, they omitted to state the bid evaluation and post qualification criteria discussed in bid evaluation reports. Bidder self-certification forms were not submitted although contractor self-certification forms were attached to awarded contracts.

On post review, KC works contracts omitted to state the contract amount requiring amendment. The contracts also provide for advance payment of twenty five percent (25%) above the normal standard of fifteen percent (15%) reflected in the draft Procurement Manual. Advance payment guarantees were also not required. The Project manifested it did not give advance payment despite the provisions. The mission required the Procurement Specialist to provide additional technical capacity training to State/Region level procurement committees of implementing departments after IFAD will issue NOL to the draft Procurement Manual.

Agreed Action	Responsibility	Agreed Date
Finalize Procurement Manual (Project to comply with IFAD comments)	PMU/IFAD	12/2020
Upload in ESAP website the FY 2020-2021 Procurement Plan after IFAD No Objection (ESAP website only states available upon request)	PMU	12/2020
State bid evaluation and post qualification criteria in RFQ (Most procurements are via NS)	PMU/PIO	12/2020
Limit advance payment to 15% of contract cost and require advance payment guarantee (Template Contracts to be modified and existing contracts to be amended)	PMU/PIO	12/2020
Contracts Register Continually update the Contracts Register to provide all contract information project wide from the beginning of the project including Purchase Order contracts	PMU	

e. Key SIS Indicators

Likelihood of Achieving the Development Objective	Rating: 4.0	Previous rating: 4.0
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F. Agreed Actions

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Overview and Project Progress		
Hiring of specialists Fast track the hiring of the following: (i) irrigation engineer international TA (ii) social and environmental safeguards specialist (ii) rural finance international TA and local expert	PMU/IWUMD	03/2020
ToRs and recruitment of service providers (i) Prepare TORs, procure the service provider and hire for agro-forestry and agri-extension, value chain, and market facilitation services, SCG promotion and submit to IFAD for N.O. (ii) Procure service providers and have them on board	PMU	04/2020
Guidelines for SCG capitalization Develop guidelines for the use of ESAP funds for capital grants to SCGs	PMU	05/2020
Guarantee funds for banks Review the need for guarantee funds for banks	PMU, Experts	
Development Effectiveness		
Service agreement with DALMS (i) Finalize service agreements with DALMS for land registration. (ii) Undertake first phase of cadastral survey	PMU / PIO	05/2020
Household selection criteria Draft selection criteria for household participation in CIGS and SCGs	PMU/PIOs	12/2020
Gender and social inclusion action plan Prepare a gender and social inclusion (including FPIC process and documentation) action plan	PMU/PIOs	01/2021
Social safeguards specialist Mobilize UNOPS social safeguards specialist	UNOPS/PMU	01/2021
Hydrological study on Hopong valley Phase 2 Second phase of Hydrological and Irrigation requirements study for the Hopong Valley in Shan completed	PMU	03/2021

<p>Strengthen outreach of SALT/SLM activities</p> <p>i) expanded village profile and participatory village mapping to review feasibility of targets and broaden scope of “SALT” package; ii) cascading approach between FFS, plots and demonstration and link to value chain and rural finance components; iii) expand target from village to village track and review feasibility of proposed additional area in Kayin; iv) develop instrument to foster further watershed dialogue within KC and township planning and develop pilot with service provider.</p>	PMU	03/2021
<p>Integrate climate change and water in agricultural activities</p> <p>i) Integrate climate change and water availability in FFS curriculum and village agricultural development planning; ii) identify scope for agricultural financing</p>	PMU	03/2021
Sustainability and Scaling up		
<p>Contracting DALMS</p> <p>Define the areas to be prioritized for cadastral validation Finalize service contracts with DALMS</p>	PMU	12/2020
<p>Finalize the UNOPS plan and budget taking into account mission recommendations and submit to IFAD for no objection</p>	IWUMD	12/2020
<p>Finalize the list of specialists/analysts and fast track the hiring of international specialists and national analysts</p>	UNOPS with IWUMD and IFAD	01/2021
<p>Complete the SCG SP recruitment</p>	PMU	02/2021
<p>Conduct an assessment on ESAP-supported options for agricultural finance</p>	UNOPS Specialist/ PMU	05/2021
<p>Finalise SCG Field Operations Manual, including guidelines for ESAP on-lending grants</p>	SPs, UNOPS Expert	05/2021
<p>Start negotiations on preferred ESAP agricultural finance arrangement with financial institutions</p>	PMU/UNOPS/ Financial Institutions/ MOPFI	07/2021
Project Management		
<p>Hiring of Project staff</p> <p>Fast track the hiring of key staff and UNOPS short-term consultants at the PMU and PIOs and hiring of specialists to support KC operations should be based on demand</p>	PMU/UNOPS	03/2020
<p>M&E plan and M&E system</p> <p>(i) Draft an M&E Plan (ii) Develop an M&E system</p>	PMU	06/2020

<p>PIO organogram and define coordination functions</p> <p>Prepare organizational structure at PIOs that shows the lines of coordination, communication with other implementing partners and management bodies such as the TPIC and SPCC and define their respective coordination functions</p>	PMU/PIOs	12/2020
<p>PIOs full time M&E specialist</p> <p>Assign full time M&E specialists from IWUMD deployed at PIOs. A TOR should be submitted to IFAD for review</p>	PMU	12/2020
<p>Baseline outcome survey TOR</p> <p>Complete the TORs for the baseline outcome study and submit documents to IFAD for no objection.</p>	PMU	12/2020
<p>PIM finalization</p> <p>Finalize the PIM and conduct PIM orientation to all project staff and implementing partners</p>	PMU	01/2021
<p>KM/Communication plan</p> <p>Prepare a knowledge management/communication plan</p>	PMU/PIOs	01/2021
<p>PMU M&E specialist</p> <p>Hire M&E specialist at the PMU. Include in the TOR task to perform KM functions</p>	PMU	01/2021
<p>Village profile</p> <p>Improve the village profiling methodology, validate the results of 374 village profiles and conduct village profiling to additional villages</p>	PMU/PIOs	01/2021
<p>Appoint a focal environment and social safeguard staff from government</p>	PMU/PIOs	01/2021
<p>Mobilize UNOPS social safeguards specialist</p>	UNOPS/PMU	01/2021
<p>Fast track the hiring of key staff and UNOPS short-term consultants at the PMU and PIOs and hiring of specialists to support KC operations should be based on demand</p>	PMU/UNOPS	03/2021
<p>Baseline outcome survey</p> <p>Conduct the baseline outcome survey not later than the first quarter of 2021</p>	PMU/PIOs	03/2021
Financial Management & Execution		
<p>Request of the remaining amount of the Authorized Allocation 2.5 million</p>	ESAP	12/2019
<p>Draft ToRs for the procurement of an accounting software</p>	ESAP	02/2020

Hire and train a new Finance Assistant for the PMU and Accountants (of deputed finance staff) in each relevant Department	ESAP	02/2020
Finance Manual including flow of funds preparation and approval	UNOPS/ESAP	02/2020
Submission of Audit report and Financial Statements 2018 – 2020	ESAP	03/2020
Follow up on the action plan agreed during the SM, for the purchase and installation of the accounting software	PMU	11/2020
Finalize Procurement Manual (Project to comply with IFAD comments)	PMU/IFAD	12/2020
Upload in ESAP website the FY 2020-2021 Procurement Plan after IFAD No Objection (ESAP website only states available upon request)	PMU	12/2020
State bid evaluation and post qualification criteria in RFQ (Most procurements are via NS)	PMU/PIO	12/2020
Limit advance payment to 15% of contract cost and require advance payment guarantee (Template Contracts to be modified and existing contracts to be amended)	PMU/PIO	12/2020
PMU should submit the Letter of Users for the ICP roll out to MoALI and MOPFI and obtain all required authorizations without further delay.	PMU/MoALI	12/2020
The project should prepare interim financial reports (IFRs) on a semi-annual basis.	PMU	12/2020
Transfer of funds to the departments should be aligned with the quarterly authorization so to meet the related expenditure needs. PMU and the ministerial departments should agree on the best conditions to transfer funds that fit the liquidity need of both PMU and the departments.	PMU	12/2020
The Mission reiterates the recommendation that PMU should discuss with MoALI Department the possibility of assigning a full-time government staff under each relevant department, to the project.	Project Director	12/2020
Ensure that beneficiaries' in-kind contribution for infrastructure works are captured, monitored and reported.	PMU	03/2021
Ensure that the current contribution in terms of offices rent equivalent are in line with current market values	PMU	03/2021
The Project and ministry departments should discuss the current internal audit (IA) arrangements, to ensure that the results of all IA exercises are shared with NPSC and the Project Director.	PMU and departments	03/2021

<p>Audit</p> <p>The project should ensure that the audit report is submitted in local language as well as in English. The translation shall be performed by a professional translator for validation by the OAG.</p>	<p>PMU</p>	<p>03/2021</p>
<p>The project to establish a system to budget and track all the salaries of the government staff involved in the different departments.</p>	<p>ESAP</p>	
<p>The AWPBs of the project should clearly define the estimated amount of machinery utilization for land consolidation works.</p>	<p>ESAP</p>	
<p>Contracts Register</p> <p>Continually update the Contracts Register to provide all contract information project wide from the beginning of the project including Purchase Order contracts</p>	<p>PMU</p>	
<p>Interim Financial Statements at half year intervals.</p> <p>Within 45 days after period end</p>	<p>ESAP</p>	

Myanmar

Eastern States Agribusiness Project

Supervision Report

Logical Framework

Mission Dates: 12 - 26 November 2020

Document Date: 08/01/2021

Project No. 1100001730

Report No. 5609-MM

Asia and the Pacific Division
Programme Management Department

Eastern States Agribusiness Project

Logical Framework

Results Hierarchy	Indicators						Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency		Responsibility
Outreach	1.b Estimated corresponding total number of households members						Project M&E	Annually	PMU	Assumption: i. Economic environment remains stable; ii. Program successes are replicated and scaled-up; iii. Enabling frameworks for agriculture are put in place by the government; Risk: i. Ethnic conflicts resume	
	Household members			314 970		21 500					6.8
	1.a Corresponding number of households reached						Project M&E	Annually	PMU		
	Women-headed households			16 909		800					4.7
	Non-women-headed households			45 718		3 428					7.5
	Households			62 627		4 228					6.8
	1 Persons receiving services promoted or supported by the project						Project M&E	Annually	PMU		
	Females			52 537		10 850					20.7
	Males			175 885		10 650					6.1
	Young			0		0					NaN
	Indigenous people			228 422		21 500					9.4
	Total number of persons receiving services			228 422		21 500					9.4

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
Project Goal Economic status of poor women and men in the project area improved	Severe and moderate child nutrition standards improved							i. Socio economic survey; ii. End Project Socio economic Survey	i. Mid-term; ii. end of Project	PMU	Assumption: i. Continued government commitment to agricultural development; ii. Peace and Political stability environment will continue. Risk: i. Ethnic conflicts resume
	Severe child nutrition in Kayin State	5.9	4								
	Moderate child nutrition in Kayin State	29.7	25								
	Severe child nutrition in South Shan State	1.73	15								
	Moderate child nutrition in South Shan State	45.8	40								
	Households expenditures increased above the poverty line							i. Socio economic survey; ii. End Project Socio economic Survey	i. Mid-term; ii. end of Project	PMU	
	HHs expenditures in Kayin State	17.5	75								
	HHs expenditures in South Shan State	31.2	75								
	Development Objective Agriculture production and agribusinesses provide increased sustainable sources of income to 45,000 smallholders households and 17,000 landless households in an environmental sustainable manner	Smallholder and landless households provided with increased sustainable sources of income							i. Socio economic survey; ii. End Project Socio economic Survey	i. Mid-term; ii. end of Project	
Smallholder HH provided with increased sustainable sources of income				45 175							

Results Hierarchy	Indicators							Means of Verification			Assumptions			
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility				
	Smallholder (Women HH) households provided with increased sustainable sources of income			10 390										
	Landless households provided with increased sustainable sources of income			17 000										
	Landless (Women HH) households provided with increased sustainable sources of income			3 910										
	Net Annually income (USD/Capita)											i. Socio economic survey; ii. End Project Socio economic Survey	i. Mid-term; ii. end of Project	PMU
	Lowland (Kayin) USD	280	500											
	Lowland Women HH (Kayin) USD		500											
	Upland (Kayin) USD	240	500											
	Upland Women HH (Kayin) USD		500											
	Agroforestry (Kayin) USD	335	1 000											

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
	Agroforestry Women HH (Kayin) USD		1 000								
	Lowland (Shan) USD	290	700								
	Lowland Women HH (Shan) USD		700								
	Upland (Shan) USD	230	1 300								
	Upland Women HH (Shan) USD		1 300								
Outcome Natural resources are more productively managed in an eco-friendly way and agroforestry villages are less isolated	C101 Farmers in low land, uplands and agro-forestry sites have continuous access to sufficient water all year round							Annual outcome survey by PIOs	Annually	PMU	Assumptions: i. WUGs are managed properly; ii. Target groups have adopted farming technologies introduced for irrigation, climate smart agriculture and sloping farm; iii. Participatory planning practices for land use, irrigation scheme and water management are adopted by smallholder and government staff. Risks: i.Shortage qualified of local service providers. ii.Insufficient capacity of the implementing agencies. iii.Government control over the procurement of the project facilities (Vehicles)
	Farmers			45 000							
	Females WHH Farmers - number	15 000		10 350							
	C102 Land use intensity increased							Annual outcome survey by PIOs	Annually	PMU	
	Increased land use intensity	96	126								
	1.2.2 Households reporting adoption of new/improved inputs, technologies or practices							Annual outcome survey by PIOs	Annually	PMU	
	Women-headed households			1 000							
	Households			5 000							
	3.2.3 Households reporting a significant reduction in the time spent for collecting water or fuel							Annual Outcome survey by PIOs	Annually	PMU	
	Households			5 000							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
	Women-headed households			1 000							
	C117 WUGs fully operational							Annual Outcome survey by PIOs	Annually	PMU	
	WUGs fully operational			80							
	WUGs fully operational (Kayin)			80							
	WUGs fully operational (Shan)			80							

Results Hierarchy	Indicators						Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency		Responsibility
Output Irrigated areas are expanded and served in a more efficient manner	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated							IWUMD, MOALI	Annually	PMU	Assumptions: i. Target groups will be willing, committed and actively participating in WUG and CIGs; ii. WUGs are integrated into WUAs and registered; iii. Irrigation network managed and maintained efficiently; iv. Target groups will accept new technologies, e.g. SLM and are committed to use them; v. Government publishes legal mechanisms that guarantee and protect Land tenure right of Women HH. Risk: i. Shortage of qualified local contractors; ii. Unavailability of necessary equipment for land development; iii. Shortage of labors (farmers) mainly in Kayin.
	Hectares of land			35 125		650	1.9				
	C113 Cadastral validation completed for (Shan + Kayin)							IWUMD, MOALI	Annually	PMU	
	Cadastral validation completed			187 035							
	Cadastral validation completed for (Kayin)			108 035							
	Cadastral validation completed for (Shan)			79 000							
	1.1.1 Persons whose ownership or user rights over natural resources have been registered in national cadasters and/or geographic information management systems							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Total persons		30 000	45 000		0	0				
	C114 Household with land certificate Shan + Kayin (Form 7) inked to CI 1.1.1							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Household (Women HH) with land certificate (Total)			45 000							
	Household with land certificate (Kayin)										
	Household (Women HH) with land certificate (Kayin)										

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
	Household with land certificate (Shan)										
	Household (Women HH) with land certificate (Shan)			9 000							
	C115 Land consolidation completed							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Land consolidation completed (Total)			600							
	Land consolidation completed (Kayin)			300							
	Land consolidation completed (Shan)			300							
	C116 Water users groups established							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Water users groups established (Total)			350							
	Water users groups established (Kayin)			133							
	Water users groups established (Shan)			217							
	C118 Farmers trained in water management (CI 1.1.4)							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Farmers trained in water management (Kayin)										
	Etnic group (Kayin)										

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
	Men (Kayin)										
	Women HH (Kayin)										
	Youth (Kayin)										
	Farmers trained in water management (Shan)										
	Etnic group (Shan)										
	Men (Shan)										
	Women HH (Shan)										
	Youth										
	1.1.4 Persons trained in production practices and/or technologies										
	Total number of persons trained by the project			15 042		0	0	Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Total number of attendances to training sessions					0					
	Men trained in crop			11 582		0	0				
	Women trained in crop			3 460		0	0				
	Young people trained in crop					0					
	Indigenous people trained in crop					0					

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
	Total persons trained in crop			15 042		0	0				
Output Degraded upland areas are rehabilitated.	C121 Areas rehabilitated by terraces through SALT Technology (Shan State)							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	Assumptions: i. Target groups will be willing, committed and actively participating in WUG and CIGs; ii. WUGs are integrated into WUAs and registered; iii. Irrigation network managed and maintained efficiently; iv. Target groups will accept new technologies, e.g. SLM and are committed to use them; v. Government publishes legal mechanisms that guarantee and protect Land tenure right of Women HH. Risk: i. Shortage of qualified local contractors; ii.Unavailability of necessary equipment for land development; iii. Shortage of labors (farmers) mainly in Kayin.
	Acres of land in Shan State rehabilitated			20 000							
	3.1.4 Land brought under climate-resilient practices							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Hectares of land			5 400		0	0				
	1.1.4 Persons trained in production practices and/or technologies							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Total number of persons trained by the project			5 000		0	0				
	Total number of attendances to training sessions					0					
	Men trained in crop			3 000		0	0				
	Women trained in crop			2 000		0	0				
	Young people trained in crop					0					
	Indigenous people trained in crop					0					
Total persons trained in crop			5 000		0	0					

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
Output Water availability for domestic and productive use is improved	C131 Drinking water supply schemes construct (Kayin)							IWUMD, MOALI	Annually	PMU	Assumptions: i. Target groups will be willing, committed and actively participating in WUG and CIGs; ii. WUGs are integrated into WUAs and registered; iii. Irrigation network managed and maintained efficiently; iv. Target groups will accept new technologies, e.g. SLM and are committed to use them; v. Government publishes legal mechanisms that guarantee and protect Land tenure right of Women HH. Risk: i. Shortage of qualified local contractors; ii. Unavailability of necessary equipment for land development; iii. Shortage of labors (farmers) mainly in Kayin.
	Drinking water supply schemes construct			50							
	Drinking water supply schemes construct (Kayin)			20							
	Drinking water supply schemes construct (Shan)			50							
	C132 Micro-hydropower instaled (Kayin)							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Micro-hydropower (Kayin)			20							
	2.1.5 Roads constructed, rehabilitated or upgraded							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Length of roads			60		0	0				
	C134 Tube wells for irrigation constructed							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Tube wells for irrigation (Total)			50							
	Tube wells for irrigation (kayin)										
	Tube wells for irrigation (Shan)										

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
	C135 Tube wells for domestic water use construct							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Tube wells for domestic water use (Total)										
	Tube wells for domestic water use (Kayin)										
	Tube wells for domestic water use (Shan)										
	C136 Solar panel pumps installed (Shan)							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Solar panel pumps installed (Shan)			50							
	C137 Harnessed stream construct (Shan)							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Harnessed stream construct (Shan)			50							

Results Hierarchy	Indicators						Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency		Responsibility
Outcome Technological and financial environment for households, farmers and investors in post-harvest activities is more conducive	1.2.2 Households reporting adoption of new/improved inputs, technologies or practices							Annual outcome survey by PIOs	Annually	PMU	Assumptions: i. Training, capacity building and extension provided by KC are effective; ii. KCs to become multi-purpose platforms used by all commodity chains; iii. Stakeholders linkages among value chain stakeholders and PPPs are successfully established; iv. investment in post-harvest facilities has been established close to production areas. Risk: i.Shortage qualified of local service providers. ii.Insufficient capacity of the implementing agencies. iii. Government control over the procurement of the project facilities (Vehicles
	Total number of household members			15 000							
	Females			3 000							
	Young										
	1.2.4 Households reporting an increase in production							Annual outcome survey by PIOs	Annually	PMU	
	Women-headed households			2 000							
	Households			10 000							
	1.2.5 Households reporting using rural financial services							Annual outcome survey by PIOs	Annually	PMU	
	Women-headed households			2 500							
	Households			12 500							
	2.2.5 Rural producers' organizations reporting an increase in sales							Annual outcome survey by PIOs	Annually	PMU	
	Number of Rural POs			70							
	Rural POs with women in leadership position			35							
	2.2.6 Households reporting improved physical access to markets, processing and storage facilities							Annual outcome survey by PIOs	Annually	PMU	
Women-headed households			2 000								

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
	Households reporting improved physical access to markets			10 000							
	C2O9 Knowledge Centres are fully functional							Annual outcome survey by PIOs	Annually	PMU	
	Knowledge Centres are fully functional			43							
	Knowledge Centres are fully functional (Kayin)			27							
	Knowledge Centres are fully functional (Shan)			16							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
Output Farmers' knowledge and access to new technologies are enhanced	C211 Knowledge Centres established							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	Assumptions: i. Target groups are committed and actively participating in implementation and use of services and facilities of KCs; ii. KCs and CIGs are set up timely across project areas, iii. Farmers and agribusinesses agree to enter into contractual arrangements; iv. existing companies willing to operate with smallholders on value chain; v. Smallholders eager to be organized in groups to certify their goods and committed in acquiring capacity to join up with other players in the supply chain; vi. KC managers are well trained and effectively managed KC operations; vii. Savings and Credit Groups
	Knowledge Centres established			43							
	Knowledge Centres established (Kayin)			27							
	Knowledge Centres established (Shan)			16							
	C211 Number of Household registered on Knowledge Centres							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Number of Household registered on Knowledge Centres										
	Number of (Women HH) Household registered on Knowledge Centres										
	C123 Demonstration plots conducted							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Demonstration plots conducted (Total)			2 064							
	Demonstration plots conducted (Kayin)			1 296							
	Demonstration plots conducted (Shan)			768							

Results Hierarchy	Indicators						Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency		Responsibility
	1.1.4 Persons trained in production practices and/or technologies							Monthly report and Quarterly Report KC,PIO,PMU	Monthly	PMU	
	Total number of persons trained by the project			20 000		0	0				
	Total number of attendances to training sessions					0					
	Men trained in crop			11 600		0	0				
	Women trained in crop			8 400		0	0				
	Young people trained in crop					0					
	Indigenous people trained in crop					0					
	Total persons trained in crop			20 000		0	0				
	C124 Farmers trained (add C.1.1.4)							KCs administrative records	Monthly	PMU	
	Farmers trained (Kayin)			8 000							
	Ethnic groups (Kayin)			8 000							
	Men (Kayin)			4 400							
	Women HH (Kayin)			3 600							
	Youth (Kayin)										
	Farmers trained (Shan)			12 000							

Results Hierarchy	Indicators							Means of Verification			Assumptions			
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility				
	Ethnic groups (Shan)			12 000										
	Men (Shan)			7 200										
	Women HH (Shan)			4 800										
	Youth (Shan)			516										
	C125 Farmer to farmer field visits												Annually	PMU
	(Total) people			258										
	(Kayin) total people			162										
	(Shan) total people			96										
							Monthly report and Quarterly Report KC,PIO,PMU							

Results Hierarchy	Indicators						Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency		Responsibility
Output Farmers access to lucrative direct or processing markets for their certified agricultural production is improved or developed	C222 Farmers engaged in contract farming						Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	Assumptions: i. Target groups are committed and actively participating in implementation and use of services and facilities of KCs; ii. KCs and CIGs are set up timely across project areas, iii. Farmers and agribusinesses agree to enter into contractual arrangements; iv. existing companies willing to operate with smallholders on value chain; v. Smallholders eager to be organized in groups to certify their goods and committed in acquiring capacity to join up with other players in the supply chain; vi. KC managers are well trained and effectively managed KC operations; vii. Savings and Credit Groups	
	total HH			10 000							
	Ethnic groups			10 000							
	Men			8 000							
	Women HH			2 000							
	Youth										
	C223 Commercial banks financial assistance to contracted farmers per season.						Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU		
	Commercial banks financial assistance to contracted farmers per season.			15							
	Ethnic groups			15							
	Men			7.5							
	Women HH			7.5							
	Youth										
	C223 Commercial banks financial assistance to non-contracted farmers per season.						Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU		
	Commercial banks financial assistance to non-contracted farmers per season			3							
	Ethnic groups			3							
	Men			1.5							
	Women HH			1.5							
	Youth										

Results Hierarchy	Indicators						Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency		Responsibility
	2.1.6 Market, processing or storage facilities constructed or rehabilitated								Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU
	Total number of facilities					0					
	C227 SMEs access to fund								Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU
	SMEs access to fund			70							
	1.1.4 Persons trained in production practices and/or technologies								Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU
	Total number of persons trained by the project			15 000		0	0				
	Total number of attendances to training sessions					0					
	Men trained in crop			8 500		0	0				
	Women trained in crop			6 500		0	0				
	Young people trained in crop			2 000		0	0				
	Indigenous people trained in crop			15 000		0	0				
	Total persons trained in crop			15 000		0	0				
	C2210 Numbers of commodity chains certified								Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU
	Numbers of commodity chains certified			5							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
Output Financial inclusion is promoted in project area villages	1.1.6 Financial service providers supported in delivering outreach strategies, financial products and services to rural areas							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	Assumptions: i. Target groups are committed and actively participating in implementation and use of services and facilities of KCs; ii. KCs and CIGs are set up timely across project areas, iii. Farmers and agribusinesses agree to enter into contractual arrangements; iv. existing companies willing to operate with smallholders on value chain; v. Smallholders eager to be organized in groups to certify their goods and committed in acquiring capacity to join up with other players in the supply chain; vi. KC managers are well trained and effectively managed KC operations; vii. Savings and Credit Groups
	Service providers					0					
	C232 Credit Union established (KC based, by consolidating SCGs) cont CI 1.1.6.							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Credit Union established (KC based, by consolidating SCGs)			43							
	Credit Union established (KC based, by consolidating SCGs) (Kayin)										
	Credit Union established (KC based, by consolidating SCGs) (Shan)										
	C234 Credit union linked to MFIs							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Credit union linked to MFIs			30							
	C235 Women membership in SCGs							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Women membership in SCGs			75							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
	C236 Women as Head of SCG							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Women HH as Head of SCG			50							
	C237 SCG Capital mobilized							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	SCG Capital mobilized			5							
	C238 Credit guaranty fund mobilized							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Credit guaranty fund mobilized			3							
	1.1.7 Persons in rural areas trained in financial literacy and/or use of financial products and services							Monthly report and Quarterly Report KC,PIO,PMU	Annually	PMU	
	Females			2 500		0	0				
	Males			1 500		0	0				
	Young			1 000		0	0				
	Indigenous people			4 000		0	0				
	Persons in rural areas trained in FL and/or use of FProd and Services (total)			4 000		0	0				



Investing in rural people

Myanmar

Eastern States Agribusiness Project

Supervision Report

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

Mission Dates: 12 - 26 November 2020

Document Date: 08/01/2021

Project No. 1100001730

Report No. 5609-MM

Asia and the Pacific Division
Programme Management Department

Period: 1st Oct 2018-30th Sep 2020

Table 1: Budget Utilization by Financiers (Amount in USD)

Categories	IFAD Loan			IFAD (UNOPS) Grant			Government			Beneficiary Contribution			Total		
	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%
1 Works	32 298 149	4 394 399.88	14%	-	-	-	4 257 400	396 900	9%	-	-	-	36 555 549	4 791 300	13%
2 Equipment and materials	1 783 420	167 206.39	9%	-	-	-	-	-	-	-	-	-	1 783 420	167 206	9%
3 Training	2 752 364	10 409.40	0%	-	-	-	-	-	-	-	-	-	2 752 364	10 409	0%
4 Consultancies	2 401 297	208 447.09	9%	1 501 200	510 791.49	34%	118 200	63 543.43	54%	778 300	-	-	4 798 997	782 782	16%
5 Goods, services and inputs	1 067 243	-	0%	-	-	-	132 900	-	-	1 243 200	-	-	2 443 343	-	0%
6 Grants and subsidies	4 634 082	-	0%	-	-	-	-	-	-	-	-	-	4 634 082	-	0%
7 Credit and Guarantee funds	2 682 151	-	0%	-	-	-	-	-	-	-	-	-	2 682 151	-	0%
8 Operating costs	3 426 412	60 735.22	2%	-	-	-	395 500	336 146.17	85%	-	21 028	#DIV/0!	3 821 912	417 909	11%
9 Unallocated	5 687 283	-	0%	-	-	-	-	-	-	-	-	-	5 687 283	-	0%
Total	56 732 401	4 841 197.97	9%	1 501 200	510 791.49	34%	4 904 000	796 589.60	16%	2 021 500	21 028	1%	65 159 101	6 169 607	9%

Table 1A: Financial performance by financier

(amount in USD)

Financier	Approval	Disbursements (up to Sep 2020)	% disbursed
IFAD Loan	56 732 400	4 841 198	9%
IFAD (UNOPS) Grant	1 501 200	510 791	34%
Government	4 904 000	796 590	16%
Beneficiary Contribution	2 021 500	21 028	1%
Total	65 159 100	6 169 607	9%

Financier	Approval	Disbursements (up to Sep 2020)	% disbursed
IFAD Loan	40 400 000	3 572 771	9%
IFAD (UNOPS) Grant	1 100 000	401 923	37%
Total	41 500 000	3 974 693	10%

Table 1B: Financial performance by financier by component up to 30th Sep 2020 (amount in USD)

(Amount in USD)

	Component	IFAD Loan			IFAD (UNOPS) Grant			Government			Beneficiary Contribution			Total		
		Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%
1	Component 1: Strategic Investment	36 924 900	3 835 424.07	10%	-	-	0%	4 322 800	396 900.00	9%	1 243 200	19 068	2%	42 490 900	4 251 392	10%
2	Component 2: Enabling Investment	14 431 400	536 537.56	4%	346 800	-	0%	156 700	-	0%	778 300	1 960.00	0%	15 713 200	538 498	3%
3	Component 3: Project Management	5 376 100	469 236.34	9%	1 154 400	510 791	44%	424 500	399 689.60	94%	-	-	-	6 955 000	1 379 717	20%
	Total	56 732 400	4 841 197.97	9%	1 501 200	510 791	34%	4 904 000	796 589.60	16%	2 021 500	21 028	1%	65 159 100	6 169 607	9%

Table 1C: IFAD Loan Disbursements (SDR as at 30-09-2020) - 200000112001

Code	Categories	Original Allocation	Disbursements	WA pending	Balance	% disbursed
200003	Works	23 000 000	1 101 474	2 054 025.77	19 844 501	9%
200008	Consultancies	1 710 000	105 430	45 145.31	1 559 425	3%
200010	Credit and guarantee funds	1 910 000	-		1 910 000	0%
200011	Equipment and materials	1 270 000	120 225		1 149 775	0%
200012	Grants and Subsidies	3 300 000	-		3 300 000	0%
200013	Goods, Services and Inputs	760 000	-		760 000	0%
200016	Operating costs	2 440 000	23 797	19 996.27	2 396 206	1%
200019	Training	1 960 000	7 242	250.30	1 952 508	0%
270001	Authorized Allocation	-			-	
290001	Unallocated	4 050 000	-		4 050 000	0%
	Total	40 400 000	1 358 168	2 119 417.66	36 922 415	5%

Table 1C: IFAD Grant Disbursements (as at 30-09-2020) - 200000111900

Code	Categories	Original Allocation	Disbursements	WA pending	Balance	% disbursed
200008	Consultancies	1 100 000	362 842		737 158	0%
	Total	1 100 000	362 842	-	737 158	0%

Financial Progress by Component (USD)

Components	2018-2019			2019-2020		
	AWPB	Actuals	% utilized	AWPB	Actuals	% utilized
Component 1: Strategic Investment	1 157 830.00	83 846.02	7%	6 470 233.72	4 148 478.05	64%
Component 2: Enabling Investment	431 600.00	-	0%	3 266 400.00	536 537.56	16%
Component 3: Project Management	1 100 043.00	424 187.31	39%	1 709 809.97	976 558.12	57%
Total	2 689 473.00	508 033.33	19%	11 446 443.69	5 661 573.73	49%

Year wise summary

Year	AWPB	Actuals	% achieved
2017-2018	-	-	-
2018-2019	2 689 473.00	508 033.33	19%
2019-2020	11 446 443.69	5 661 573.73	49%
2020-2021			
Total	14 135 916.69	6 169 607.06	44%

Myanmar

Eastern States Agribusiness Project

Supervision Report

Appendix 2: Physical progress measured against AWP&B

Mission Dates: 12 - 26 November 2020

Document Date: 08/01/2021

Project No. 1100001730

Report No. 5609-MM

Asia and the Pacific Division
Programme Management Department

Appendix 2: Physical Progress measured against AWPB 2019-2020 FY

AWPB code	Component/outcome Subcomponent/output	Unit	Progress (October 2019 – September 2020)			Cumulative actual	Appraisal Target	%	Remark
			AWPB	Actual	%				
	Component 1								
	Sub component 1.1 Land Development/Irrigation Improvement								
	Topographic survey in Kayin								
1.1.1.1.1.1	Topographic survey of improvement of pump irrigation schemes in Kayin State	Scheme	5	5	100%			Completed	
1.1.1.1.1.2	Topographic survey for Pa Ta Chaung drainage excavation	Scheme	1	1	100%			Completed	
	Designing in Kayin State								
1.1.1.1.2.1	Designing of the improvement of pump irrigation schemes (5 pumps and Pa Ta Chaung) in Kayin State	Scheme	6	2	33.33%			4 under processing	
	Construction of solar pump in Kayin								
1.1.1.2.1	Procurement of 10 solar pumps and operation training	Units	10	10	100%			Completed	
1.1.1.2.2	Solar pump installation and canal renovation works	Units	10	10	100%			Completed	
1.1.1.3.1	Yeboke Dam stone lining at main canal RD 15+000 to RD 21+800	Lumpsum	1	1	100%			Completed	
1.1.1.3.2	Improvement of farm access road at main canal RD 160+00 to RD 220+00	Ft	6000	6000	100%			Completed	
1.1.1.4.1	Drainage upgrading for 17 locations that cover 10000 acres and 80000 HHs	Location	17	15	88.23%			2 drainages transferred to 2020-2021	
1.1.1.5	Water Gate structure construction/ rehabilitation	Unit	5	3	60%			2 gates Transferred to 2020-2021	
	PLUP activities in Kayin								
1.1.1.6.1	PLUP team operation	Per month	12				72	Operated upon the works implemented	
1.1.1.6.2	PLUP training	Training	1	0	0			Postponed due to COVID-19	
	Water User Group in Kayin								
1.1.1.7.1	Formation of Water User Groups in Kayin State	Per one group	50	66	132%	66	350	Appraisal target 350 WUGs for both States	
1.1.1.7.2	Water User Group operation training for the staffs	Training	1	0	0			Postponed due to COVID 19	
	Cadastral validation in Kayin								

AWPB code	Component/outcome Subcomponent/output	Unit	Progress (October 2019 – September 2020)			Cumulative actual	Appraisal Target	%	Remark
			AWPB	Actual	%				
1.1.1.8.1	Conduct cadastral validation service contract with DALMS	Acre	23398	0	0				Received NOL for SA with DALMS but transferred to 2020-2021 FY
1.1.1.8.2	Cadastral training	Training	3	0	0				Transferred to 2020-2021 FY
1.1.1.8.3	Land use planning support equipment	Lumpsum	1	0	0				Transferred to 2020-2021 FY
	Topographic irrigation scheme survey in Shan State								
1.1.2.1.1.1	Topographic survey of irrigation scheme for Nam Kuk Weir in Hsihseng township	Acre	6800	6800	100%				Completed
1.1.2.1.1.2	Topographic survey of the irrigation scheme for Nam Tabet Weir in Kyauktalonggyi Township	Acre	6400	6400	100%				Completed
1.1.2.1.2.1	Topographic survey for tube well pump irrigation Taunggyi in Hekke	Acre	500	0	0				Not implemented yet
	Designing irrigation scheme rehabilitation Shan								
1.1.2.1.3.1	Irrigation scheme renovation design for Nam Kuk Weir	Lumpsum	1	0	0				Ongoing
1.1.2.1.3.2	Irrigation scheme renovation design for Nam Tabek Weir	Lumpsum	1	0	0				Ongoing
1.1.2.1.3.3	Irrigation scheme renovation design for Nam Hkwe Weir	Lumpsum	1	1	100%				Completed
1.1.2.1.3.4	Irrigation scheme renovation design for Nam Me Thar Weir	Lumpsum	1	1	100%				Completed
1.1.2.1.3.5	Irrigation scheme renovation design for Nam Paung Lin weir	Lumpsum	1	0.5	50%	1			Ongoing
1.1.2.1.3.6	Irrigation scheme renovation design for Segyi Weir	Lumpsum	1	1	100%	1			Completed
	Irrigation Scheme Rehabilitation/Civil works construction (Shan)								
1.1.2.2.1	Nam Paung Linn Weir canal system renovation for Ho Pong Township To secure water for 4500 acres and 1500 HHS, 49,000 feet canals.	Lumpsum	1	0	0				Transferred to 2020-2021
1.1.2.2.2.1	Nam Khwe Weir silt trap works	Unit	1	1	100%				Completed
1.1.2.2.2.2	Nam Hkwe Weir unsilting works	Sud	700	700	100%				Completed
1.1.2.2.2.3	Nam Hkwe Weir Main canal upgrading up to RD14+500ft	Lumpsum	1	1	100%				Completed
1.1.2.2.2.4	Nam Hkwe Weir drainage excavation and embankment heightening	Lumpsum	1	1	100%				Completed
1.1.2.2.3	Nam Methar Weir canal upgrading	Lumpsum	1	0	0				Transferred to 2020-2021

AWPB code	Component/outcome Subcomponent/output	Unit	Progress (October 2019 – September 2020)			Cumulative actual	Appraisal Target	%	Remark
			AWPB	Actual	%				
1.1.2.2.4.1	Hydrological investigation work for existing Weirs in Hopong valley (5 weirs and 3 stations in the main stream)	Lumpsum	1	1	100%	1	1		Completed
	Rural infrastructure in Shan								
1.1.2.2.5.1	Construction of Village Market Access roads (Ho Li village in Hopong)	KM	1.2	1.2	100%	1.2	30		Completed
1.1.2.2.5.2	Box Culvert 2 Nos.(Ho Li village in Ho Pong)	Unit	2	2	100%				Completed
	Segyi Weir Irrigation Scheme Rehabilitation To secure water for 3000 acres & 1305 HHs								
1.1.2.2.6.1	Segyi main Weir, unsilting work activity	Sud	79944		100%				Completed
1.1.2.2.6.2	Segyi Weir Right Main Canal upgrading	Lumpsum	1	1	100%				Completed
1.1.2.2.6.3	Segyi Weir Left Main Canal upgrading (Unsilting for whole canal, stone pinching up to RD 2750 ft)	Lumpsum	1	1	100%				Completed
1.1.2.2.6.4	Hekke drainage, unsilting work activity for Taunggyi Township (13,701 Suds)	Sud	13701		100%				Completed
1.1.2.2.6.5	Renovation for farm road for integrated farming (40,580 feet)	Ft	40580		100%				Completed
1.1.2.2.7	R.C.C bridge in Nan lat creek in Taunggyi	Unit	1		10%				Ongoing
	Participatory Land Use Planning Activities (PLUP) Shan State								
1.1.2.3.1	PLUP Team Community Consultation	Person Months	12				72		
1.1.2.3.2	PLUP Training	Training	1	0	0				Postponed due to COVID 19
	Water User Group, Shan State								
1.1.2.4.1	Formation of the Water User Groups	Per group	50	23	46%	23	350	6.57%	Ongoing
1.1.2.4.2	Water user group operation training for the staffs	Training	1	0	0				Not implemented yet
	Cadastral validation in Shan State								
1.1.2.5.1	Conduct cadastral validation service contract with DALMS, produce cadastral maps and Land titles for farmers under the irrigation schemes (16,096 acres command irrigated areas) Approximate 18,000 acres covered	Acre	18000	0	0				Transferred to 2020-2021 FY
1.1.2.5.2	Cadastral training	Training	3	0	0				Transferred to 2020-2021 FY
1.1.2.5.3	Land use planning support equipment	Lumpsum	1	0	0				Transferred to 2020-2021 FY
	Technical Assistance								
1.1.3.1	Recruitment of Irrigation Engineer	Person month	12	12	100%				Recruited
1.1.3.2	Training for PLUP team members in Irrigation Technology Center (ITC) Bago	Training	1	0	0				Postponed due to COVID 19

AWPB code	Component/outcome Subcomponent/output	Unit	Progress (October 2019 – September 2020)			Cumulative actual	Appraisal Target	%	Remark
			AWPB	Actual	%				
	Sub Component 1.2								
	Agro-forestry Supports in Kayin State								
1.2.1.1	Agro-forestry feasibility study and location identification (Thandaunggyi Tsp)	Per Village	20	20	100%	20	20	100%	Completed
1.2.1.2	Community consultation	Per Village	20	0	0				Transferred to 2020-2021
1.2.1.3	SALT Demonstration activities	Acre	5	0	0				Transferred to 2020-2021
1.2.1.4	Village tree nursery establishment	Per Village	20	0	0				Transferred to 2020-2021
1.2.1.5	Agroforestry TOT	Training	2	0	0				Transferred to 2020-2021
1.2.1.6	Agroforestry farmer training	Training	5	0	0				Transferred to 2020-2021
1.2.1.7	Seeds, seedlings, fertilizers, other agricultural materials	Per Village	20	0	0				Transferred to 2020-2021
1.2.1.8	Farm tools	Per Village	20	0	0				Transferred to 2020-2021
1.2.1.9	Electing and assignment of the village foresters (Kayin)	Per Village	20	0	0				Transferred to 2020-2021
	Agro-forestry Supports in Shan State								
1.2.2.1	Agro-forestry feasibility study and location identification	Per Village	50	50	100%	50	50	100%	Completed
1.2.2.2	Community consultation	Per Village	50	0	0				Transferred to 2020-2021
1.2.2.3	SALT Demonstration activities	Acre	10	0	0				Transferred to 2020-2021
1.2.2.4	Village tree nursery establishment	Per Village	5	0	0				Transferred to 2020-2021
1.2.2.5	SALT pilot activities	Acre	93	0	0				Transferred to 2020-2021
1.2.2.6	Agro-forestry TOT	Training	2	0	0				Transferred to 2020-2021
1.2.2.7	Agro-forestry farmer training	Training	15	0	0				Transferred to 2020-2021
1.2.2.8	Seeds, seedlings, fertilizers, other agricultural materials	Per Village	20	0	0				Transferred to 2020-2021
1.2.2.9	Farm tools	Per Village	20	0	0				Transferred to 2020-2021
1.2.2.10	Electing and assignment of the village foresters (Kayin)	Per Village	50	0	0				Transferred to 2020-2021
	Technical Assistance								
1.2.3.1	Hiring Agro-forestry service provider (NGO) for Shan	Person month	12	0	0				TOR processing
1.2.3.2.	Hiring Agro-forestry service provider (NGO) for Kayin	Person month	12	0	0				TOR processing
1.2.3.3	Rural Infrastructure engineer	Person month	12	0	0				Not recruited yet
	Equipment and materials								
1.2.4.1	Motor cycles for agro-forestry field staffs (Shan 6, Kayin 4 cycles)	Unit	10	0	0				Transferred to 2020-2021
1.2.4.2	Planting materials, tree nursery materials	Lumpsum	1	0	0				Transferred to 2020-2021
	Rural Infrastructures Supports for Forest Community in Kayin State								

AWPB code	Component/outcome Subcomponent/output	Unit	Progress (October 2019 – September 2020)			Cumulative actual	Appraisal Target	%	Remark
			AWPB	Actual	%				
1.3.1.1	Identify locations, designing rural water supply for forest communities	Location	5	5	100%	5	20	25%	Completed
1.3.1.2	Construction of rural water supply (Kayin)	Unit	5	5	100%	5	20	25%	Completed
	Rural Infrastructures Supports for Forest Community in Shan State								
1.3.2.1	Tube well for irrigation and domestic use water supply identified and designed	Location	14	14	100%	14			Completed
1.3.2.2	Gravity Flow water supply identified and designed	Location	2	2	100%	2			Completed
1.3.2.3	Construction of Tube wells for irrigation & Domestic water	Unit	11	11	100%	11	50	22%	Completed
1.2.3.4	Construction of rural water supply in Phat Nam village, Taunggyi Township	Unit	1	1	100%	1			Completed
1.3.2.5	Gravity based rural water supply schemes (5 in Sesing and 1 in Hopong)	Unit	6	6	100%	6	50	12%	Completed
	Component 2								
	Sub component 2.1								
	KCs Establishment (Kayin State)								
2.1.1.1	Survey designs of KCs (5 locations)	Location	5	5	100%	5	27	18.51%	Completed
2.1.1.2	Construction of KCs in Kayin	Unit	5	5	100%	5	27	18.51%	Completed
2.1.1.3	Need assessment for agriculture assistance	Lumpsum	1	0	0				Transferred 2020-2021
2.1.1.4	Agriculture trials and demonstration plan	Plot	50	0	0		1296		Transferred 2020-2021
2.1.1.5	Farmers to Farmers visits	Trip	60	0	0		162		Transferred 2020-2021
2.1.1.5	Farmers Field schools	FFS	30	0	0				Transferred 2020-2021
2.1.1.7	Training for the field staffs on Agricultural trial and demonstration	Training	1	0	0				Transferred 2020-2021
2.1.1.8	Capacity building/Training for KC Managers	Training	2	0	0				Transferred 2020-2021
2.1.1.9	KC Board forming	KC board	5	0	0		27		Transferred 2020-2021
2.1.1.10	Training for KC boards	Training	5	0	0				Transferred 2020-2021
2.1.1.11	Monthly KC Board Meeting	Meeting	15	0	0				Transferred 2020-2021
2.1.1.12	Stationary for KC board members	One KC/month	30	0	0				Transferred 2020-2021
2.1.1.1.3	KC farmer meetings	Meeting	30	0	0				Transferred 2020-2021
	KCs Establishment (Shan State)								
2.1.2.1	Survey designs of KCs (9 locations)	Location	9	9	100%	9	16	56.25%	Completed
2.1.2.2	KC Construction in Shan State	Unit	9	9	100%	9	16	56.25%	Completed
2.1.2.3	Need assessment for agriculture assistance	Lumpsum	1	0	0				Transferred 2020-2021
2.1.2.4	Agriculture trials and demonstration plan	Plot	50	0	0		768	0	Transferred 2020-2021
2.1.2.5	Farmers to Farmers visits	Trip	60	0	0		162	0	Transferred 2020-2021
2.1.2.5	Farmers Field schools	FFS	30	0	0				Transferred 2020-2021

AWPB code	Component/outcome Subcomponent/output	Unit	Progress (October 2019 – September 2020)			Cumulative actual	Appraisal Target	%	Remark
			AWPB	Actual	%				
2.1.2.7	Training for the field staffs on Agricultural trial and demonstration	Training	1	0	0				Transferred 2020-2021
2.1.2.8	Capacity building/Training for KC Managers	Training	2	0	0				Transferred 2020-2021
2.1.2.9	KC Board forming	Board	9	0	0				Transferred 2020-2021
2.1.2.10	Training for KC boards	Training	9	0	0				Transferred 2020-2021
2.1.2.11	Monthly KC Board Meeting	Meeting	54	0	0				Transferred 2020-2021
2.1.2.12	Stationary for KC board members	One KC/month	54	0	0				Transferred 2020-2021
2.1.2.13	KC farmer meetings	Meeting	54	0	0				Transferred 2020-2021
	Technical Assistance								
2.1.3.1	CDGS (Kayin)	Person months	12	12	100%				Recruited
2.1.3.2	CDGS (Shan)	Person months	12	12	100%				Recruited
2.1.3.3	KC Based extensionists (Kayin) 4 persons	Person months	36	0	0				Cancelled
2.1.3.4	KC Based extensionists (Shan)	Person months	36	0	0				Cancelled
2.1.3.5	On-farm research specialist (Kayin)	Person months	9	0	0				Canceled
2.1.3.6	On-farm research specialist (Shan)	Person months	9	0	0				Canceled
2.1.3.7	Technical assistance for Potato seed multiplication. (Shan)	Person months	6	0	0				Canceled
2.1.3.8	Agricultural Extension Specialist (PMU)	Person months	9	0	0				Canceled
2.1.4	Support equipment and materials for KC centers (Kayin State)								Transferred 2020-2021
2.1.5	Support equipment and materials for KC centers and Seed production Stations (Shan State)								Transferred to 2020-2021
2.1.5.11	Crop seed production facilities (Heho Station) Potato, Rice, Vegetables	Lumpsum	1						Transferred to 2020-2021
2.1.5.12	Crop seed production facilities (Htone bo, Aungban Stations) Potato, Upland Rice, Corns	Lumpsum	1						Transferred to 2020-2021
	Sub component 2.2								
	Value chain activities Kayin state								
2.2.1.1.1	Agricultural value chain workshop	Workshop	2	2	100%				Completed
2.2.1.1.5	Certification (Kayin state)	Lumpsum	1	0	0				Not implemented yet
2.2.1.1.6	Market promotion (Kayin state)	Event	2	0	0				Not implemented yet
	Shan State Value chain activities								
2.2.1.2.1	Agricultural value chain workshop	Workshop	2	2	100%	2			Completed
2.2.1.2.5	Certification (Shan state)	Lumpsum	1	0	0				Not implemented yet

AWPB code	Component/outcome Subcomponent/output	Unit	Progress (October 2019 – September 2020)			Cumulative actual	Appraisal Target	%	Remark
			AWPB	Actual	%				
2.2.1.2.6	Market promotion (Shan state)	Event	2	0	0				Not implemented yet
	Post harvesting support (Kayin)								
2.2.2.1.1	Post harvesting technology need assessment	Per Village	50	0	0				Questionnaire developed
2.2.2.1.2	Post harvesting technology training for the government field staffs	Training	1	0	0				Not implemented yet
2.2.2.1.3	Post harvesting technology farmer training conducted for the farmers	Training	10	0	0				Not implemented yet
2.2.2.1.4	Post harvesting technology demonstration	Plot	5	0	0				Not implemented yet
	Post harvesting support (Shan)								
2.2.2.2.1	Post harvesting technology need assessment	Per Village	50						Questionnaire developed
2.2.2.2.2	Post harvesting technology training for the government field staffs	Training	1						Not implemented yet
2.2.2.2.3	Post harvesting technology farmer training conducted for the farmers	Training	10						Not implemented yet
2.2.2.2.4	Post harvesting technology demonstration	Plot	9						Not implemented yet
2.3.1.1	Kayin State Saving and Credit Group activities								Transferred to 2020-2021
2.3.1.2	Shan State Saving and Credit Group activities								Transferred to 2020-2021
	Technical Assistance								
2.3.4.1	Hiring service provider (SCG forming and operation)	Person months	9	0	0				RFP Evaluation process
2.3.4.2	Senior Rural Finance Specialist (PMU)	Person months	9	0	0				Not recruited yet
2.3.4.2	Value chain specialist	Person months	12	12	100%				Recruited
2.3.4.4	Rural Finance Specialist (PIO Shan)	Person months	12	0	0				Not recruited yet
2.3.4.5	Rural Finance Specialist (PIO Kayin)	Person months	12	0	0				Not recruited yet
	Component 3								
3.1.1.1	Office building survey design and renovation (12m x 8m x 2 stories R.C.C building) kayin	Unit	1	1	100%	1	1	100%	Completed
3.1.2.1	Office building survey design and construction (12m x 8m x 2 stories R.C.C building) shan	Unit	1	1	100%	1	1	100%	Completed
3.1.3	Training and Support PIO Kayin								Not implemented yet
	Kayin State startup workshop (Kayin)	Training	1						
	Financial & procurement training (Kayin)	Training	1						
	AWPB Training (Kayin)	Training	1						
	PRA training (Kayin)	Training	1						
	Gender training (Kayin)	Training	1						
	Project management training (Kayin)	Training	1						
	Training and Support PIO Shan								Not implemented yet

AWPB code	Component/outcome Subcomponent/output	Unit	Progress (October 2019 – September 2020)			Cumulative actual	Appraisal Target	%	Remark
			AWPB	Actual	%				
	Kayin State startup workshop (Kayin)	Training	1						
	Financial & procurement training (Kayin)	Training	1						
	AWPB Training (Kayin)	Training	1						
	PRA training (Kayin)	Training	1						
	Gender training (Kayin)	Training	1						
	Project management training (Kayin)	Training	1						
	Training and Support PMU							Not implemented yet	
	Financial and procurement training (PMU)	Training	1						
	AWPB Training (PMU)	Training	1						
	Participate in the regional workshops(PMU)	Workshop	4						
	Vehicles and equipment								
3.1.4.1	Pickup truck (4 WD)	Unit	4	0	0				
3.1.4.2	Vehicle spare-parts	Lot	1	0	0				
3.1.4.3	Tablets	Unit	40	0	0				
	Financial Management								
3.2.1.1	Accounting software	Set	1	0	0			Not yet	
3.2.2	Baseline Survey							Processing Baseline TOR	
3.2.3.1	M&E Training PMU	Training	1	1	100%			At PIOs	
3.2.3.2	M&E System set up	Unit	1	0	0			Produced ME Plan for internal use	
	Knowledge Management								
3.2.4.1	Publications/Pamphlets/Project Propaganda (Newsletter)	Lumpsum	1	0	0			Not yet	
3.2.4.2	Radio, Newspapers, TV	Lumpsum	1	0	0			Not yet	
	Recruitment								
3.2.5.1	Accountant (2 positions, PMU, DOA)	Person months	18	14				Recruited	
3.2.5.2	Project Manager	Person months	12	12				Recruited	
3.2.5.3	Finance Manager	Person months	12	12				Recruited	
3.2.5.4	Procurement Specialist	Person months	12	9				Recruited	
3.2.5.5	M&E Specialist	Person months	12	12				Recruited	
3.2.5.6	Office Helper	Person months	12	12				Recruited	
3.2.5.7	Cleaner	Person months	12	12				Recruited	
3.2.5.8	Driver	Person months	12	12				Recruited	

AWPB code	Component/outcome Subcomponent/output	Unit	Progress (October 2019 – September 2020)			Cumulative actual	Appraisal Target	%	Remark
			AWPB	Actual	%				
	recruitment/Staff salaries and allowance Kayin PIO								
3.2.6.1	Accountant	Person months	12	12				Recruited	
3.2.6.2	Office Helper	Person months	12	10				Recruited	
3.2.6.3	Cleaner	Person months	12	10				Recruited	
3.2.6.4	Driver	Person months	12	10				Recruited	
	Recruitment/Staff salaries and allowance Shan PIO								
3.2.7.1	Accountant	Person months	12	10				Recruited	
3.2.7.2	Office Helper	Person months	12	10				Recruited	
3.2.7.3	Cleaner	Person months	12	10				Recruited	
3.2.7.4	Driver	Person months	12	0	0			Not yet	
3.2.8.4	National Project Steering Committee Meeting	meeting	1	1	100%	1		Conducted	

Myanmar

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Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 12 - 26 November 2020

Document Date: 08/01/2021

Project No. 1100001730

Report No. 5609-MM

Asia and the Pacific Division
Programme Management Department

Appendix 3: Compliance with financing agreement covenants

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Financing Agreement:				
Section C, Para 1	The Lead Project Agency shall be the ministry of Agriculture and Irrigation		Complied	
Section C, Para 2	Additional Project Parties shall include, inter alia, the implementing entities referred to in Schedule 1 hereto		Partially complied	Non-Governmental Organizations/ Services providers are still to be involved to implement the Components of the Project.
Section C Paragraph 4	The Lead Project Agency shall enter into an agreement with the United Nations Office for Project Services (UNOPS) Myanmar to execute the grant on its behalf, subject to satisfactory negotiations between the two parties.		Complied	
Section E, Para 2	The Project Director and Finance Officer, both acceptable to the Fund, shall have been selected by MoALI from the IWUMD and assigned for the Project.		Complied	
Schedule 1, Para 5	The MOAI, in its capacity as the Lead Project Agency, shall have the overall responsibility for the Project's implementation. The Irrigation and Water Utilisation Management Department (IWUMD) will be the focal department of the Project.		Complied	
Schedule 1, Para 6	The Project's governance framework shall consist of the NPSC and a SPCC in each Project state. The Project's management and coordination framework shall consist of the central PMU within ID, and a PIO in each Project state.		Complied	
Schedule 1, Para 7	<i>NPSC.</i> The NPSC shall be chaired by the MoALI Deputy Minister. Its membership shall include senior representatives of the MoALI Office of the Minister, relevant MoALI departments, and representatives of MoPF and MoNREC. Representatives of the state-level MoALI shall be represented in the NPSC to the extent feasible. The Committee shall convene in Nay Pyi Taw. Its responsibilities shall be to provide strategic and policy guidance, oversee implementation, approve annual work plans and budgets, oversee external audit, and endorse consultants' selection.		Complied	

<p>Schedule 1, Para 8</p>	<p><i>SPCCs.</i> A SPCC shall be constituted in each state. It shall be chaired by the respective State Minister of MoALI. Members shall include representatives from the Office of the Chief Minister, Home Affairs, relevant state-level Ministries and MoALI departments, and community organizations. At state level, its responsibilities shall be to provide guidance, oversee implementation, approve annual work plans and budgets, endorse consultants' selection, review progress reports, and ensure coordination. The SPCCs shall convene in Hpa-An (Kayin) and Taunggyi (Shan) respectively as required.</p>		<p>Complied</p>	
<p>Schedule 1, Para 9</p>	<p><i>Management.</i> The Project's management structure shall consist of (i) a central level Project Management Unit (PMU), located in Naypyidaw; and (ii) a Project Implementation Office (PIO) in each Project state.</p>		<p>Complied</p>	
<p>Schedule 1, Para 10</p>	<p><i>PMU.</i> The PMU shall be established within the IWUMD and shall be integrated with ID structures. It shall be responsible for Project implementation, fiduciary management (including financial management, procurement and contracting, and legal compliance), work planning and budgeting, monitoring and evaluation, and progress reporting. The PMU shall be headed by a Project Director from the IWUMD appointed by MoALI. A Project Manager shall be recruited from the market through a competitive process, and shall coordinate daily operations. The PMU shall be staffed by: (i) relevant assigned officers from IWUMD, DRD, and other MoALI departments as required; and (ii) a set of competitively recruited consultants on annual contracts (agribusiness/value chains; rural finance; community development and gender; financial management; accounting; procurement; Monitoring & Evaluation (M&E)).</p>		<p>Complied</p>	
<p>Schedule 1, Para 11</p>	<p>The PMU shall be supported by a strong technical assistance team financed through the IFAD grant. The grant shall be executed by UNOPS on the basis of an Agreement with MoALI. UNOPS shall competitively recruit, subject to IFAD prior review, the technical assistance necessary to strengthen ID and MoALI in relevant areas. It shall provide a medium-</p>		<p>Partially Complied</p>	<p>UNOPS failed to recruit a number of international and national consultants to provide TA to the project.</p>

	term Project Management Advisor (PMA) and specific short-term TA inputs.			
Schedule 1, Para 12	Project financial management shall be administered by the existing Finance Unit of the IWUMD. The IWUMD shall assign a Finance Officer and accounts staff from its existing staff specifically for the Project, who shall work under the supervision of the Unit's Finance Director. For the purposes of the Project, the IWUMD's Finance Unit shall be supported by two consultants in the PMU, namely a Financial Management specialist and an Accountant. The PMU shall operate a computerized accounting system, acceptable to the Fund, for the purposes of the Project.		Partially Complied.	PMU has not yet operated a computerized accounting system.
Schedule 1, Para 13	<i>PIO.</i> One PIO shall be established in each State (in Hpa-an and Taunggyi), mainstreamed within the state-level IWUMD. The PIO shall be responsible for coordinating implementation at state level and for monitoring and reporting on progress. The PIO shall be headed by a state Project Coordinator, to be assigned by IWUMD from its state-level staff. Daily operation of the PIO shall be the responsibility of a state Project Implementation Officer (agriculture specialist) recruited from the market through a competitive process. The PIO shall be staffed by: (i) assigned officers from relevant state MoALI departments and other relevant Ministries (such as MoNREC); and, (ii) a set of competitively recruited consultants on annual contracts (rural finance, community development and gender, accounting, and M&E).		Partially complied	There is no Project Implementation Officer. Its job is being performed by UNOPS TA(Project Analyst). Assignment of officers from relevant state MoALI Departments is minimal. Only accounting consultant was recruited.
Schedule 1, Para 14	The PIOs shall be supported by a strong technical assistance team to be financed through the IFAD grant. UNOPS shall competitively recruit, subject to IFAD prior review, the technical assistance necessary to strengthen state level ID and MoALI in relevant areas. In each state, it shall provide a Project Implementation Advisor for the durations required, and specific short-term TA inputs.		Partially complied	UNOPS only recruited PMA and 2 Project Analysts performing direct project implementation instead of TA.
Schedule 1, Para 15.	State-level financial management shall be administered by the existing Finance Unit of state-level IWUMD. The state-level IWUMD shall assign a Finance Officer and accounts staff from its existing staff specifically for the Project, who shall work under the supervision of the Unit's Finance head. For the purposes of the Project, the IWUMD Finance Unit shall be supported by an Accountant (consultant) in the PIO.		Complied	

Schedule 1, Para 16	Sub-component 1.1: Land Development: The Participatory Land Use Planning (the "PLUP") and Free, Prior, Informed Consent (the "FPIC") activities, as defined in the PIM, shall be implemented by a service provider (such as an NGO) in each state, selected by the PMU on a competitive basis in consultation with the PIOs. Land development shall be implemented by state-level MoALI IWUMDs (which can sub- contract specific works if required). A qualified service provider with expertise in infrastructure shall be contracted to support design, assess construction norms, verify unit costs, supervise civil works and provide TA. Supervision shall be multi-level, involving state-level IWUMDs, PIOs, farmers' groups, and the service provider(s).		Partially complied	Service Providers for FPIC and to provide TA to IWUMD not yet procured. IWUMD providing the services.
Schedule 1, Paragraphs 20 and 21	<p>20. The PMU shall prepare a draft PIM outlining the standard operating procedures for the implementation of the Project, including for financial management, accounting and procurement, in line with international best practices. Once prepared, the PIM shall be first approved by the relevant departments of MoALI, before being presented to the NPSC for approval and IFAD for concurrence. The PIM shall include a section on financial management and procurement, and shall detail procedures for the provision of matching grants.</p> <p>21. <i>Approval and Adoption.</i> The Lead Project Agency shall forward the draft PIM to IFAD for its clearance. If the Fund does not comment on the draft PIM within thirty (30) days after receipt, it shall be deemed to have no objections. The Lead Project Agency shall adopt the PIM, substantially in the form approved by the Fund.</p>		Complied	Submitted during the mission
General Condition for Agricultural Financing:				
Section 7.08 (a)	Insurance of vehicles, equipment and civil works financed from the loan proceeds to be consistent with sound commercial practice.	During implementation period	Complied	Third party insurance of vehicles
Section 7.11	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		Complied.	

	specified in the Agreement or otherwise approved by the Fund.			
Section 8.02 (a)	The Lead Project Agency shall establish and thereafter maintain an appropriate information management system in accordance with the Fund's Guide for Project Monitoring and Evaluation with which it shall continuously monitor the Project.		Not yet complied	There is no management information system software rather the information are maintained in excel spreadsheet for monitoring & dissemination purpose.

Myanmar

Eastern States Agribusiness Project

Supervision Report

Appendix 5: Mission preparation and planning, TORs, schedules, people met

Mission Dates: 12 - 26 November 2020

Document Date: 08/01/2021

Project No. 1100001730

Report No. 5609-MM

Asia and the Pacific Division
Programme Management Department

Appendix 5: Mission preparation and planning, TORs, schedules, people met.

Mission preparation and planning

The mission team prepared the mission TORs on and shared it to ESAP project for their information and review on 1st October 2020. The mission is the first remote supervision mission in Eastern States Agribusiness Project (ESAP) and it has done the zoom meeting on Remote Missions Sharing of Experience with ESAP project Team and IFAD Myanmar team on 21st October 2020 while the detail mission schedule was drafted. Then mission team sent the list of documents which needed be made available to the team for undertaking the assignment, one week before the start of the mission. Moreover, IFAD mission team arranged the internal team meeting for mission preparation on 30th October 2020.

TORs of mission team members

Jerry Pacturan, CPO / Mission Team Leader

He will have overall responsibility for guidance and management of the mission's work. The Mission Leader will be responsible for briefing and debriefing the Government during the kick-off and wrap-up meetings, and will ensure that all deliverables are met in a timely manner and comply with IFAD's required formats and quality standards. He will coordinate the preparation of the aide memoire and the ORMS report. Specifically, he will:

1. Lead the team's meetings with Government counterparts and partners throughout the mission;
2. Coordinate mission activities, review the assessment of the overall project performance and quality of implementation and synthesize the findings and recommendations;
3. Assess the overall quality of project management and coordination;
4. Together with the supervision team, review, the overall implementation progress of each component since project effectiveness;
5. Review, together with the team, the physical/financial progress of the project to date since effectiveness;
6. Provide overall implementation support as required to PCU, IWUMD and MoALI and recommend action plan for the remaining years of the project;
7. Lead the drafting of the Aide Memoire before submission to the Government; and,
8. Review and finalize the full mission report for uploading to the IFAD ORMS.

Yolando Arban, Project Management and Monitoring & Evaluation (M&E) Specialist

His tasks includes the following:

1. Assess the overall Project management and M&E performance and quality of implementation in line with the defined result objectives;
2. Review institutional arrangements and performance;
3. Review staffing set-up, organigrams and performance;
4. Propose ways to improve the performance and delivery of the project;
5. Assess the progress and implementation performance of Programme's components against 2019/2020 AWPBs and logical framework of the project;
6. Assess the capacity of the PCU in delivering, in general, effective technical assistance and training for the primary stakeholders in relation to design objectives;
7. Assess the progress of project interventions in the field of general management and make time-bound recommendations to ensure knowledge and best practices are systematically captured and shared;
8. Undertake an overall assessment and rating of the performance of M&E system;
9. Review the baseline survey design and methodology;
10. Conduct the assessment and rating of the performance of M&E system and related MIS;
11. Summarize the overall programme implementation progress of the M&E and institutional aspects and make recommendations to improve program performance;
12. Assess the progress of preliminary programme interventions in the field of knowledge management and make time-bound recommendations to ensure knowledge and best practices are systematically captured and shared;
13. Review and update the first and second level RIMS indicators and overall project log frame;

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14. Preparation of the Appendices "Updated logical framework" and "Physical progress measured against AWPB" (including CIs);
 15. Review and update the logframe and retrofit RIMS indicators with the new Corporate indicators within the ORMS;
 16. Review and update the results and include them in the logframe;
 17. Support mission team and project staff in selecting and agreeing on relevant Corporate Indicators (Cis);
 18. Assess the progress made on promoting gender equality and women's empowerment (GEWE), particularly the involvement of women in all activities carried out by the project, and against the three dimensions covered by IFAD gender policy: (1) economic empowerment to enable both rural women and men to participate in and benefit from profitable economic activities; (2) both women and men have equal voice and influence in rural institutions and organizations, including decision making processes at household, community or local level; (3) More equitable balance in workloads and in the sharing of economic and social benefits between women and men;
 19. Assess the overall quality of the performance on gender, targeting and issues of social inclusion;
 20. Develop an action plan to improve the performance of project on gender equality and women's empowerment by indicating pathways for improved decision making/agency development, economic empowerment and workload reduction;
 21. Assess the AWP/B and ensure sufficient budgetary allocations are made for meeting the gender and social inclusion activities;
 22. Prepare written contribution to the relevant sections of the mission Aide Memoire and to the report including data, annexures, field observations, project results, findings and recommendations, within the deadline set by the Team Leader; prepare the mission report for uploading to the ORMS;
 23. Review the Project Implementation Manual (PIM) and recommend improvements as necessary in regard to Project Management, M&E, Knowledge Management; and,
 24. Perform any other tasks assigned by the Mission Leader.

Audrey Nepveu de Villemarceau, Global Technical Specialist, Water & Infrastructure

Working through the mission team, her tasks includes the following:

1. Lead the identification and discussions on the capitalization of the lessons learned from this FARM and their implications to ESAP, particularly on the: (i) Institutional set-up of the Project; (ii) knowledge centers; (iii) land consolidation; (iv) common interest groups; and. (v) civil works;
2. Review project compliance on SECAP requirements and provide implementation support to the PMU;
3. Contribute to the report writing requirements for the Aide Memoire and the ORMS report; and,
4. Perform any other tasks assigned by the Mission leader.

Michele Pirazzoli, Infrastructure Specialist

The Infrastructure Specialist will be responsible for reviewing the physical and qualitative progress of the project's infrastructure works, in particular:

1. Focusing on *Component 1*, review the infrastructure work plan for the project period and progress made on physical works;
2. Assess the quality and cost effectiveness of the infrastructure design and works undertaken as part of expansion of irrigated areas under the command of primary and secondary canals under selected irrigation schemes, including land consolidation and land titling, land levelling, construction of tertiary canals, the drainage networks, farm roads and small hydraulic structures;
3. Assess the extent of outputs achieved under the component for the previous FY 2019-2020 and what needs to be implemented in the FY 2020-2021 and in the remaining years of the Project, revise targets accordingly and assess the viability of expansion of irrigation works in upland and lowland rain-fed areas;
4. Assess the extent of community participation involved in the design and supervision process the infrastructure components of the project;
5. Assess the progress made with regard to establishing a participatory water management systems in the project areas;
6. Identify implementation challenges and provide clear recommendations on how to address them in the incoming FY and remaining duration of the project;

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7. Review the Project Implementation Manual (PIM) and recommend improvements as necessary in regard to the civil works activities;
 8. In the context of participatory civil works implementation at community level, assess the progress made on promoting gender equality and women's empowerment (GEWE), particularly the involvement of women in all civil work activities carried out by the project, and against the three dimensions covered by IFAD gender policy: (1) economic empowerment to enable both rural women and men to participate in and benefit from profitable economic activities; (2) both women and men have equal voice and influence in rural institutions and organizations, including decision making processes at household, community or local level; (3) More equitable balance in workloads and in the sharing of economic and social benefits between women and men; and,
 9. Prepare written contribution to the relevant sections of the mission Aide Memoire and to the report including data, annexures, field observations, project results, findings and recommendations, within the deadline set by the Team Leader;
 10. Perform any other relevant tasks as may be determined by the Mission Leader.

Harold Liversage, Lead Global Technical Specialist, Land Tenure

Working through the mission team, his tasks includes the following:

1. Review all relevant project documentation related to tenure security measures;
2. Review key government policy and strategic documents on land and discuss the status of their implementation;
3. Undertake interviews / focus group discussions with key stakeholders to enhance the understanding of land tenure issues ESAP project intervention areas
4. Identify challenges and opportunities for addressing tenure security measures and to support the Project in addressing land tenure issues;
5. Identify opportunities for strengthening collaboration and partnerships with the Government, other development partners, civil society and the private sector;
6. Discuss and validate with key stakeholders the key findings, conclusions and recommendations;
7. Contribute to the report writing requirements for the Aide Memoire and the ORMS report; and,
8. Perform any other tasks assigned by the Mission leader.

Mattia Prayer-Galletti, Lead Technical Specialist for Indigenous Peoples / Ethnic Concerns

Working through the mission team, his tasks includes the following:

1. Review the Project activities, tools and PMU capacities and provide implementation support on participatory processes and free prior and informed consent (FPIC);
2. Review the PIM and provide advice to the Project to ensure that participatory processes and FPIC are included; and,
3. Perform any other tasks assigned by the Mission Leader.

Esha Singh, Agribusiness and Markets Specialist

Working through the mission team she will be responsible for reviewing the progress of the project activities specifically under *Component 2.1 - Enabling Investments*. In particular, she will:

1. Assess the progress of activities effectiveness, issues, concerns and bottlenecks;
2. Review the efficiency of the set-up of governance structures and implementation procedures for the Knowledge Centres, Matching Grants and the Agribusiness Fund (ABF);
3. Review the Project Implementation Manual (PIM) and recommend improvements as necessary;
4. Assess the progress and achievement of outputs on sub-component 2.2. on value chain development;
5. Assess the Project's overall readiness, capacities and needs in undertaking value chain development; identify and recommend institutional strengthening and capacity building interventions;
6. Review the commodities with growth potentials identified by the Project and assess the quality of the preliminary analytical work (e.g., VC studies, business plans, etc) and provide recommendations;
7. Assess the progress made on promoting gender equality and women's empowerment (GEWE), particularly the involvement of women in all procurement activities carried out by the project, and against the three dimensions covered by IFAD gender policy: (1) economic empowerment to enable both rural women and men to participate in and benefit from profitable economic activities; (2) both women and men have equal voice and

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- influence in rural institutions and organizations, including decision making processes at household, community or local level; (3) More equitable balance in workloads and in the sharing of economic and social benefits between women and men;
8. Prepare written contribution to the relevant sections of the Aide Memoire; and,
 9. Do other tasks as may be required by the Mission/Team Leader.

Jorma Routsj, Rural Finance Specialist

His tasks includes the following:

1. Working closely with the Agribusiness Specialist, he will assess the progress made on *Component 2.2 – Services* particularly in implementing the ABF, the Matching Grants and the Credit Guaranty Facility;
2. Assess the progress made in rural finance activities pertaining to the establishment of the savings and credit groups (SCGs) and the procurement of a service provider for the formation of self-help groups;
3. Review the Project Implementation Manual (PIM), matching grants and related guidelines, and recommend improvements as necessary;
4. Assess the capacity building needs of the Project Staff (government staff and hired staff) in implementing various project components and activities in relation to rural financial services; and assess the PCU's capacity to undertake beneficiary training needs assessment as basis for training and capacity building interventions by the Project;
5. In the context of component 2.2, assess the progress made on promoting gender equality and women's empowerment (GEWE), particularly the involvement of women in the financial inclusion activities carried out by the project, and against the three dimensions covered by IFAD gender policy: (1) economic empowerment to enable both rural women and men to participate in and benefit from profitable economic activities; (2) both women and men have equal voice and influence in rural institutions and organizations, including decision making processes at household, community or local level; (3) More equitable balance in workloads and in the sharing of economic and social benefits between women and men; and,
6. Prepare written contribution to the relevant sections of the mission Aide Memoire and the supervision mission report; and,
7. Perform any other tasks required by the Mission Leader.

Marie-Aude Even, Lead Technical Specialist for Agronomy

Working through the mission team, her tasks includes the following:

1. Review the project design in regard to agroforestry activities and in relation to the agricultural infrastructure investments; assess PMU capacities in regard to agroforestry and agricultural extension activities;
2. Review and provide implementation support to the Project in regard to the TOR of the agroforestry service provider, including the selection criteria in the REOI and RFP documents;
3. Building on the lessons from FARM, review the agricultural extension services approach of the Project through the KCs, incorporate lessons learned for better implementation approach; review the PIM and ensure inclusion of such approach;
4. Identify international and national technical expertise, literature and knowledge products on agro-forestry and agricultural extension that could benefit the Project; and,
5. Perform any other tasks assigned by the Mission Leader.

Arthur Tantuan, Procurement Specialist

In line with Module IV of the IFAD Procurement Manual and Section 36 of the IFAD Project Implementation Guidelines, the Procurement Specialist should carry out the following tasks remotely:

1. Review the current Procurement Plan in order to assess it has been fully updated and upgraded, ascertain its completeness, its concurrence with the AWPB, and its consistency with the country systems and/or IFAD Procurement Guidelines and Handbook;
2. Provide support, advice and recommendations on the following:
 - i. The thresholds, ceilings and preferences to be applied in the implementation of procurement under the project;
 - ii. The contract types and contractual arrangements for goods, works and consulting services required to implement the projects;
 - iii. The proposed methods of procurement;
 - iv. The related IFAD review procedures and provide suggestions to improve the overall quality of the procurement processes;

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3. Review a minimum sample of 10% of all procurement contracts for compliance;
 4. Carry out spot checks on past procurement activities and assess the extent these adhere to Government and/or IFAD Procurement Guidelines and Handbook; in particular, verify that the goods, services and works procured correspond with the approved AWPB and Procurement Plan, in terms of quality and quantities;
 5. Review the procurement, contracting and implementation processes and timeliness and appropriateness of procurement actions;
 6. Assess contract administration and management procedures;
 7. Assess the procurement capacity of all entities to be reviewed in terms of manpower, levels of training of procurement staff, work environments and independence of procurement staff to carry out their statutory assignments;
 8. Conduct specific analysis of value for money (VFM) at all levels and the reasonableness of prices for:
 - i. Goods, equipment, etc. using available price indicators;
 - ii. Civil Works, compared to locally accepted standards and prices; and
 - iii. Services compare quality-output to international standards and prices.
 9. Determine whether adequate systems are in place for procurement planning, implementation and monitoring, and whether documentation are maintained as per required standards and can be relied upon, based on the procurement filing checklist compiled by the Project/Programme's Procurement Officer;
 10. Verify to the extent possible, whether goods, works and consulting services contracted were supplied/completed according to the required specifications and technical standards;
 11. Review issues identified in the previous procurement review and aide-mémoire and procurement related issues identified in project audit reports;
 12. Identify deficiencies and make recommendations for improvements and control mechanisms in the procurement procedures and processes;
 13. Conduct a review of any significant changes in the borrower/recipient's procurement system and practices, and ensure project procurement procedures and systems are updated accordingly;
 14. Review/update the Procurement Risk Assessment, using the IFAD Procurement Risk Matrix (Module I of the IFAD Procurement Manual);
 15. Assess further procurement staff training needs and ensure relevant training is planned and provided to project management and procurement staff in a timely manner;
 16. Timely inform the Project/Programme of the ongoing/completed procurement activities that will be subject to review and request the relevant documentation to be submitted to IFAD before the start of the mission;
 17. Regularly meet with the Project's/Programme's Procurement Officer and any other project/programme staff member via Skype, Zoom or any other telecommunication application/conferencing service as needed;
 18. Submit an assignment report (as per IFAD format), and any other relevant ancillary documents;
 19. Carry out any other activity, as required by IFAD.

Fabrizio Vivarini / Chi Nguyen, Financial Management

The Financial Management Specialist will handle all matters related to financial management, including disbursement performance. Using the IFAD FMAQ as the basis to collect the relevant information, the Financial Management Specialist will assess the strengths and weaknesses of financial management systems, internal controls and financial reporting systems relating to financial management and financial administration of project funds in order to ensure that they satisfy IFAD's fiduciary requirements and comply with the Financing Agreement and LTB. Specifically, the expert will:

1. Review financial management progress, identify constraints in disbursements and expenditure programming; propose solutions where appropriate. Assess physical and financial project implementation progress against appraisal targets and Annual work plans and budgets. Identify actual, emerging or potential problems, constraints and bottlenecks in project implementation;
2. Identify risks arising from material deficiencies and propose practical recommendations for improving financial management functions and/or staffing for financial operations needed to mitigate risk;
3. Review the financial reporting systems, including Government reporting requirements. Assess the functionality of the accounting software used, highlight duplications with manual/ Excel reporting and make recommendations, if any, to customise the software in order to enhance its usefulness for project reporting purposes;

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4. Review the operation of the Project's designated account, and project accounts (OA, MD). Assess the efficiency of the established fund-flow system and whether advances are appropriate for the projected expenditure needs;
 5. Assess regularity of WA preparation. Recommend concrete measures to ensure faster and more efficient disbursements. Assess the project's treasury planning; analyse adequacy of DA authorised allocation, with respect to projected expenditure requirements;
 6. Review SOEs prepared since the last field review to verify adequacy, completeness and validity of claims by selecting on a sample basis expenditure items from each category of expenditures and performing a system 'walk-through'. Document findings on individual SOE items, noting down any ineligible expenditures. Provide recommendations on any internal controls weakness noted. Assess the adequacy of the project's filing of financial records;
 7. Review contractual and payment procedures (as well, assess (for quality, timeliness) and identify any capacity gaps in contractor/IP/SP preparation of documentation for payment of works, financial reports, etc.); check contract register, usage of contract monitoring forms, register of advances; highlight outstanding advances (ageing analysis); verify compliance with audit requirements foreseen in contracts/ MOUs, if applicable;
 8. Review status of counterpart funding, including checking if the Borrower/Lead Project Agency has made available financing proceeds to the Project, as planned and in line with the Financing Agreement;
 9. Review key internal controls in project expenditure management, assess number of days required for payment approvals;
 10. Assess compliance with financing agreement, LTB and applicable guidelines, including PIM;
 11. Review internal audit arrangements provided by PCU, IWUMD and MoALI, document findings of internal audit reports;
 12. Discuss findings of FY 2018-2019 audit report with finance team, describe planning for addressing audit observations;
 13. Discuss the status of preparation of the next annual financial statements, including impact of upcoming change of Myanmar financial year on annual reporting and audit processes;
 14. Discuss Mission recommendations with the PCU and relevant stakeholders and agree on a plan of action; based on above work, assign FM performance ratings to the projects, and update FM risk assessments, following CFS guidelines;
 15. Review the Project Implementation Manual (PIM) and recommend improvements as necessary in regard to Financial Management;
 16. Provide overall implementation support as required to PCU, IUWMD and MoALI; and,
 17. Prepare written contribution to the relevant sections of the mission Aide Memoire and to the report findings and recommendations, within the deadline set by the Mission Leader.

Myat Thiri Wai, Mission Facilitator

The Mission Facilitator will be responsible for providing overall support to the supervision team and ensuring logistical arrangements to carry out the planned mission activities. Specifically, the Mission Facilitator will:

1. Liaise between the mission and the concerned government agencies and officials;
2. Support the mission team's field visits and meetings with government at all levels;
3. Provide inputs in drafting the missions Aide Memoire; and,
4. Any other relevant tasks as requested by the Mission Leader.

Tentative mission schedule

Date	Time (MMT)	Activity	IFAD personnel	Gov/ESAP personnel
12 Nov (Thu)	13:00-15:00	Mission kick-off meeting. Overview of project status	All mission team	ESAP PMU with related departments
	15:00-17:00	Introductory meeting with ESAP team and IFAD mission team	All mission team	ESAP PMU+ PIOs
	17:00-18:30	M&E requirements meeting	Lando, Jing, Ana	ESAP PMU
13-15 Nov	Review of documents			
16 Nov (Mon)	9:00-11:00	Procurement	Jing, Art	ESAP
		Financial Management	Fabrizio/Chi	ESAP finance team
	13:00-15:00	Comp. 1 - Infrastructure	Michele, Audrey, THIRI, Art	IWUMD+ DRD+ ESAP
		Comp. 2.1 - Agricultural modernization	Jing, Marie Aude, Harold, Esha	DOA+ ESAP
17 Nov (Tue)	9:00-11:00	Project management and M&E	Jing, Lando, Art, Esha	ESAP
	13:00-15:00	Comp. 2.2 - Financial Services (SCG+ RBF+ credit grantee)	Jing, Jorma, Lando, Esha	ESAP
		Social inclusion and Environmental (SECAP)	Marie Aude, Harold, THIRI, Audrey, Michele, Kisa, Maan, Mattia	ESAP
18 Nov (Wed)	9:00-11:00	Kayin State virtual field visit (Photos and videos)	All mission team	UNOPS+ ESAP
	13:00-15:00	UNOPS meeting	Audrey, Jing	PMU+ PIO+ Relevant MoALI staff from townships/state
		Kayin State- Beneficiaries Meeting	All mission team	
	15:00-17:00	Agro forestry meeting	Marie, Harold, Kisa	
19 Nov (Thu)	8:00-10:00	M&E Knowledge Management meeting	Lando, Ana	ESAP PMU, PIOs
	10:00-12:00	Staffing and project management	Lando, Jing, esha	Project director
	10:00-12:00	Shan State virtual field visit (Photos and videos)	All mission team	PMU+ PIO+ Relevant MoALI staff from townships/State
	13:30-16:00	Shan State- Beneficiaries Meeting	All mission team	ESAP
	13:00-15:00	MAHA microfinance	Jing, Jorma,	-
20 Nov (Fri)	9:30-11:00	Finance meeting 2 nd round	Fabrizio, Chi, Art	ESAP finance team
	11:00-13:00	KC strategy Meetings	Marie, Esha, Mattia, Lando	ESAP
	13:00-15:00	SECAP meeting (climate and environment)	Audrey, Kisa, Michele	ESAP
	15:00-17:00	FSWG meeting	Marie	-

21 Nov (Sat)	Report Writing			
22 Nov (Sun)				
23 Nov (Mon)	13:00	IFAD team meeting	All team	-
24 Nov (Tue)	13:00-15:00	Technical discussions on first draft of Aide Memoire	All mission team	ESAP team
25 Nov (Wed)	13:00-15:00	IFAD Team meeting	All team	-
26 Nov (Thu)	13:00-15:00	Final Wrap Up Meeting	All team	ESAP team+ MOPFI focal persons+ PMU with related departments

Persons met

No.	Name	Position	Department	State/Township
1	Dr.Zaw Lwin Tun	Dy-Director General	IWUMD	Nay Pyi Taw
2	U Zaw Tun	Project Manager	ESAP/PMU	Nay Pyi Taw
3	U Seng Hkum	PMA	UNOPS/ESAP	Nay Pyi Taw
4	Daw Hla Oo Nwe	Irrigation Engineer	ESAP/PMU	Nay Pyi Taw
5	U Phyo Htet Aung	Value Chain Analyst	ESAP/PMU	Nay Pyi Taw
6	U Kyaw Zayar Oo	Procurement Analyst	ESAP/PMU	Nay Pyi Taw
7	Daw Soe Soe Thar	Accountant	ESAP/PMU	Nay Pyi Taw
8	U Kyaw Win	Accountant	ESAP/PMU	Nay Pyi Taw
9	U Thant Wai Lin	Project Analyst	UNOPS/ESAP	Hpa-An
10	Daw Khin Myo Myint Kyaw Weik	CDGS	ESAP/PIO Kayin	Hpa-An
11	U Hla Aung Myint	Project Analyst	UNOPS/ESAP	Taung Gyi
12	Daw Nang Kham Khong	CDGS	ESAP	Taung Gyi
13	Daw Nang Thwe Thwe Soe	Accountant	ESAP	Taung Gyi
14	Daw Ei Ei Han	Accountant	ESAP	Hpa-An
15	U Tun Tun Oo	Senior Engineer	IWUMD	Taunggyi
16	U Aung Thu Kywe	Dy-Director	IWUMD	Kayin State, Hpa-An
17	U Kyaw Kyaw Oo	Executive Engineer	IWUMD	Taunggyi
18	U Khin Mg Lwin	Executive Engineer	IWUMD	Taunggyi
19	U Aung Paing	Staff Officer	IWUMD	Kayin State, Hpa-An
20	U Than Naing Oo	Staff Officer	IWUMD	Kayin State, Hpa-An
21	U Kyaw Sar Oo	Assistant Director	IWUMD (Water Resource)	Kayin State, Hpa-An
22	U Tin Ko Oo	Staff Officer	IWUMD (Water Resource)	
23	U Saw Ba Kyi	Staff Officer	DRD, Kayin State	Hpa-An

24	U Aung Paing	Staff Officer	IWUMD	Hpa-An
25	U Than Hlaing	Dy-Director	DoA, Kayin State	Kayin State, Hpa-An
26	U Thet Swe	Assistant Director	DoA, Hpa-An District	Hpa-An District
27	Daw Naw thuu lay Htee	Assistant Director	DoA, Kawkareik District	Kawkareik District
28	U Sen Sa Khup	Staff Officer	DoA	Hpa-An
29	U Kyi Win	Staff Officer	DoA	Hlaingbwe
30	U Aung Naing	Staff Officer	DoA	Kawkareik
31	U Aung Win	Dy-Assistant Staff Officer	DoA	Naung Kyan KC, Hpa-An
32	Daw May Hnin Phyu	Assistant Director	DoA	Bar Kat KC, Hpa-An
33	U Saw Aung Myat	Assistant Director	DoA	Than Ban KC, Hlaingbwe
34	U Ye Htet Aung	Dy-Assistant Staff Officer	DoA	Kawt Nwet KC, Hlaingbwe
35	Daw Ye Ye Cho	Assistant Director	DoA	Kyeik Paung KC, Hlaingbwe
36	U Saw Kyaw Min Tun	Assistant Director	DoA	Mya Pa Daing KC, Kawkareik
37	U Saw San Kyi Oo	Dy-Assistant Staff Officer	DoA	Aye Chan Thar Yar KC, Kawkareik
38	U Win Shwe	Staff Officer	AMD, Kayin State	Kayin State
39	U Ni Win Naing	Dy-Director	DALMS, Kayin State	Kayin State
40	U Saw Ba Kyi	Staff Officer	DRD, Kayin State	Kayin State
41	U Tin Aung Win	Staff Officer	DRD	Thandaunggyi
42	U Thant Zin Swe	Assistance Engineer	IWUMD	Taunggyi
43	U Thike Thike Ag	Assistance Engineer	IWUMD	Taunggyi
44	U Myo Myat Soe	Assistance Engineer	IWUMD	Hopong
45	U Khun Sein Min	Assistance Engineer	IWUMD	Hopong
46	U Ag Yee Tun	Assistance Engineer	IWUMD	Hopong
47	U Yin Kyi	S.A.E	IWUMD	Taunggyi
48	U Sit Paing	J.A.E	IWUMD	Taunggyi
49	U Mg Mg Lwin	Assistance Director	IWUMD/WR	Taunggyi
50	U Zaw Naing Tun	Assistance Engineer	IWUMD/WR	Taunggyi
51	U Tun Lin Khaing	Staff officer	IWUMD/WR	Taunggyi
52	U Tin Oo	Director	DOA	Taunggyi
53	U Zaw Waing	Deputy Director	DOA	Taunggyi
54	U Wai Phyo Aung	Deputy staff officer	DOA	Taunggyi
55	U Nyein Tun	Deputy Director	DOA	Taunggyi
56	U Hla Nyein	Deputy Director	DOA	Taunggyi
57	U Mg Mg Myint	Deputy staff officer	DOA	Kyauk Ta Lon Gyi
58	Daw Poe Thandar Hnin	Deputy staff officer	DOA	Taunggyi
59	U Nyi Nyi Ag	Farm Manager	DOA	HEHO
60	Daw Khaing Khaing Oo	Farm Manager	DAR	Hton Phoe
61	Dr. Win Win New	Manager	DAR	Aung Pan

62	Daw Khin Yu Wai	Assistant staff officer	DOA	Taunggyi
63	Daw Khaing Thandar Lin	Staff officer	DOA	Hopong
64	U Kyaw Kyin	Staff officer	DOA	Hsihseng
65	Daw Nang Su Mon	KC Manager	DOA	Hopong
66	Naw Bar So Gay Doe	KC Manager	DOA	Hopong
67	Daw Myint Myint Aye	KC Manager	DOA	Taunggyi
68	U Kyaw Win	KC Manager	DOA	Hsihseng
69	U Ag Khant Maw	KC Manager	DOA	Hsihseng
70	U Thura Win Htut	KC Manager	DOA	Hsihseng
71	U Ag Kyaw Win	Staff officer	DOA	Taunggyi
72	U Phone Thar Soe	J.A.E	DRD	Taunggyi
73	Daw Seint Seint Thu	Staff officer	DRD	Hopong
74	Daw Naw Muu Khu Paw	Deputy Director	DRD	Taunggyi
75	U Soe Thien	Staff officer	DALMS	Taunggyi
76	U Myo Thu	Staff officer	DALMS	Taunggyi
77	U Ag Naing Win	Assistance Director	DALMS	Taunggyi
78	U Win Myint Tun	Staff officer	DALMS	Taunggyi
79	U Yee Tun Ag	Staff officer	DALMS	Taunggyi
80	U Thaug Htike	Director	AMD	Taunggyi
81	U Khun Myat Thu Ra	Assistance staff officer	AMD	Taunggyi
82	U Ye Min	Hpet Nan (SeGyi Wier)	Taug Lay Lone	Taunggyi
83	U Aung Gyi	Than Tay (SeGyi Wier)	Than Te	Taunggyi
84	U Myint Oo	Than Lun (seGyi Wier)	Than Te	Taunggyi
85	U Ba Tint	Taug Ni (seGyi Wier)	Mong Thaw (east)	Taunggyi
86	U Khaing Htay Oo	Se Gyi (Segyi Wier)	Mong Thaw (east)	Taunggyi
87	Daw Hnin Hla	Ho Li (Nam Khwe Wier)	Mong Thaw (east)	Ho Pong
88	U Khon Tun Lin	Wan Loi (Nam Khwe Wier)	Kone Keng	Ho Pong
89	Daw Nan Ohn Myint	Nam Hkoke (Nam Khwe Wier)	Kone Keng	Ho Pong
90	U Tin Oo	Kawt Sa Muu Drainage Canal scheme	Daw Lan (Ywar Gyi)	Hlaingbwe
91	U Ba Than	Kawt Sa Muu Drainage Canal scheme	Kawt Sa Muu	Hlaingbwe
92	U Hla Win	Yeboke Dam Command Area	Hti Lon	Hlaingbwe
93	Daw Mu Htu	Yeboke Dam Command Area	Kan Nar	Hlaingbwe
94	U Yar	Kawt Sa Muu Drainage Canal scheme	Kawt Sa Muu	Hlaingbwe
95	U Aung Win	Sin Kyone Drainage Canal	Sin Kyone	Hpa-An
96	Daw Ma Hla Ngwe	Sin Kyone Drainage Canal	Sin Kyone	Hpa-An
97	U Tun Myint	Lan Bu Chaung Drainage Canal	Kha Yar Ah Twin	Hpa-An
98	U Aung Tun Shein	Solar Pump Irrigation Scheme	Ka Maut Ka Sin	Hpa-An
99	U Nay Lin Htwe	Solar Pump Irrigation Scheme	Naung Kha Raing	Hpa-An

100	U Thet Oo	Solar Pump Irrigation Scheme	Naung Kha Raing	Hpa-An
101	U Saw Thein Phawt	Solar Pump Irrigation Scheme	Naung Kha Raing	Hpa-An
102	U Lar Ku	Yae Pu Gyi Water Gate Scheme	Kawt War Le	Kawkareik
103	Daw Naw Duu	Yae Pu Gyi Water Gate Scheme	Kawt War Le	Kawkareik
104	Daw Aye Aye Myint	Yae Pu Gyi Water Gate Scheme	Yae Pu Gyi	Kawkareik
105	U Saw Chit Mhwe	Kyon Bine Chaung Drainage Canal	Kyon Bine	Kawkareik

Myanmar

Eastern States Agribusiness Project

Supervision Report

Appendix 6: Procurement

Mission Dates: 12 - 26 November 2020

Document Date: 08/01/2021

Project No. 1100001730

Report No. 5609-MM

Asia and the Pacific Division
Programme Management Department

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Name of Procurement Specialist: ARTHUR F. TANTUAN

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- i. Review of Procurement Plan
- ii. Review of Ongoing/Completed Procurement Activities and Documentation

Procurement of Service Provider for agricultural extension, agro-forestry services and savings and credit groups were transferred to the 2020-2021 Procurement Plan. Completed procurements were for civil works either by direct contract with IWUMD or national shopping method pursuant

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to the thresholds established under the existing Letter to the Borrower. Requests for Quotation provide for eligibility criteria but did not provide for bid evaluation and post qualification criteria that the project conducted. A contract for bridge construction was awarded to a contractor without similar contract experience and substantially completed without IFAD No Objection. Bidder self-certification forms were not made submitted although contractor self certification forms were not attached to signed contracts. There are no requirements in the bidding documents that present a barrier to entry for bidders, except for acceptable national participation requirements. Items subjected to procurement were in the Procurement Plan. A formal Procurement Requisition initiates a procurement process with Methods proposed in the PP utilized as mode of procurement. Enough was done to ensure competition with at least three bidders participating in procurement activities. Sufficient time was provided for bidders to request and receive clarifications before the submission deadline. Sufficient time was allotted for bidders to prepare quotations, bids and proposals. No late bids were accepted. There is evidence that: more than the minimum number of bidders were invited to participate; all bidders received the bidding documents; minimum number of bids were received, as per method requirements; and, competition was maximised.

iii. Review of Contract Administration and Management

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KC contracts need to be amended for failure to include contract amounts to be cross referenced to the updated Contracts Register. Contracts provided for advance payments up to 25% without requiring advance payment security. Advance payment should only be at maximum of 15 percent per procurement manual and secured by advance payment security. Other than the foregoing, the Lead Project Implementing Agency appears to have sound processes, procedures and systems in place for administration, supervision and management of contracts. Contract formats are consistent with bid documents and/or other legal templates, and include provisions regarding prohibited practises and IFAD's right to audit as exhibited in IFAD's contractor self certification forms. Contracts are signed by Project/Government authorities. Contracts provide for retention. Supervision of works contract is undertaken by PMU Irrigation Engineer but delays are noted partly due to the pandemic. IFAD prior review requirements are complied. Contract register follows IFAD's template and is updated correctly and submitted in accordance with provisions in the Letter to the Borrower.

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iv. Review of project's procurement filing system and the ease of document retrieval

The Project's procurement filing system appear to be in order. While delayed, the mission was provided with requested procurement related documents. Continuous effort for PMU to have copies of all procurement related documents from implementing departments at state level should be sustained.

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v. **Review of issues identified in the previous procurement supervision and aide-mémoire and procurement related issues identified in project audit reports**

Except for the submission of the AWPB and accompanying PP not later than August 2 each year, all agreed actions under the December 2019 SISM have been complied by the project.

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vi. Assessment of further procurement staff training needs

Upon issuance of NOL to the Project Procurement Manual, government personnel specifically members of Procurement Committees of State level departments of MOALI assigned to the project and project hired personnel will be given technical capacity training on procurement to be given by the PMU Procurement Specialist with IFAD support from an accredited Procurement Consultant.

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vii. **Review of any significant changes in the Borrower/Recipient's procurement system and practices**

There are no significant changes in the Borrower's procurement system and practices. Office of the President Directive No. 1/2017 will be factored in PRM update.

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viii. **Key findings and conclusions from the PRM assessment update**

Project remains at medium risk rating.

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ix. Procurement performance indicator rating and justification

Pillars	Rating	Justification
A. Review of Procurement planning	2	Procurement planning exhibits serious shortcomings and inconsistencies across the board. Project implementation is severely impacted and delayed; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain. Some evidence of prohibited practices.
B. Process and Procedures: from prequalification to bidding	4	Processes and procedures 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
C. Process and Procedures: from evaluation to awards	4	Processes and procedures applied exhibit minor shortcomings that have no impact on project implementation and performance. Processes and procedures 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
D. Contract management	3	Processes, procedures and systems for administration, supervision and management of contracts exhibit numerous shortcomings. Project

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		implementation is negatively impacted; implementation support is required; resolution of issues/constraints is likely but will take some time.
E. Record Retention	4	The project's record retention exhibits some weaknesses. Implementation support is required, however, prompt resolution of issues/constraints is like
Overall	3	Processes, procedures and systems applied exhibit significant shortcomings and inconsistencies across some of the requirements. Project implementation is negatively impacted and delayed; implementation support is required; resolution of issues/constraints is likely but will take some time.

x. Recommendations for improvement and follow-up actions for the Borrower/Recipient and/or IFAD

a) Recommendations

Agreed Action	Responsibility	Agreed Date
Finalize Procurement Manual	PMU/PIO	15Dec2020
Upload in ESAP website the FY 2020-2021 Procurement Plan after IFAD No Objection	PMU	15Dec2020
Ensure procurement of goods under the Procurement Plan	DOA	30February

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Investing in rural people

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State bid evaluation and post qualification criteria in RFQ	PMU	30Dec2020
Include Bidder Self Certification forms in bidding documents	PMU	30Dec2020
Amend KC Construction contracts to reflect contract amounts	PMU/PIO	15Dec2020
Limit advance payments under contracts awarded to private contractors to not more than fifteen (15%) of contract amount supported by advance payment guarantees	PMU/PIO	30Dec2020
Include provisions in Service Provider contracts designate project specialist staff at PIO level to act as contract managers	PMU	30January2021

b) Follow-up

Recommendation	Follow-up action	Responsibility	Agreed Date
Finalize Procurement Manual	PMU to submit in NOTUS	PMU	30Nov2020
Upload in ESAP website the FY 2020-2021 Procurement Plan after IFAD issuance of NOL	PMU to advise IFAD of uploading after IFAD NO to Procurement Plan	PMU	30Dec2020
Ensure procurement of goods under the Procurement Plan	PMU to undertake coordination meetings with DOA at Region/State level to firm up timeline	PMU	15Jan2020
State bid evaluation and post qualification criteria in RFQ	PMU to revise RFQ templates to be issued to PIO and Procurement Committees at PIO level	PMU	20Dec2020
Include Bidder Self Certification forms in bidding documents	PMU to provide template to PIO and Procurement Committees at PIO level	PMU	15Dec2020
Amend KC Construction contracts to reflect contract amounts	PMU to draft template of Amendment of Contract	PMU	10Dec2020

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Limit advance payments under contracts awarded to private contractors to not more than fifteen (15%) of contract amount supported by advance payment guarantees	Proposed bidding documents to state 15% limit and require advance payment guarantees	PMU/PIO	15 January 2020
Include provisions in Service Provider contracts designate project specialist staff at PIO level to act as contract managers	Modify Terms of Reference of Service Provider either at drafting of bidding documents or during negotiation stage	PMU	15 Dec 2020

Annotated Guide for procurement review

Review of Procurement Plan

A. Procurement planning process - PP is aligned with the AWPB, is prepared and updated consistently and accurately and is based on consultative and collaborative processes. PP follows the IFAD PP template, has a summary page with an AWPB reference column, methods and thresholds are entered correctly, and no less than 80% of the procurements listed are ongoing/completed as planned. PP is updated (with the “actuals” rows updated) and upgraded as necessary in a timely manner, with IFAD NOs provided accordingly. All

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procurements carried out are in the PP, as consistent with the Financing Agreement and the Letter to the Borrower. PP is easily and publicly accessible – demonstrating transparency and promoting participation and competition.

Review of Procurement Plan for each procurement should be completed in accordance to the following questions:

- Is it consistent with the latest approved AWPB:
 - Do the nature and quantity of goods/works/services appear consistent with the activities in the AWPB?
 - Is the procurement schedule consistent with the implementation schedules in the AWPB (does the delivery of goods, works and services correspond to targets in the AWPB)?
 - Is the procurement budget adequate?
- Is the selection of procurement methods in compliance with the provisions of the LTB?
- Do the time estimates indicated seem realistic?
- Adequacy of procurement packaging:
 - Are the procurement activities systematically and logically grouped according to the categories of the procurement (goods/works/services)?
 - Has packaging been done in a way that generally facilitates the use of the most competitive and efficient procurement method, that ensures the best value for money and that avoids pseudo-packaging?
- Progress in implementing and updating and upgrading the PP, including identifying significant delays and causes, proposing adjustments to the PP and recommending improvements relating to planned/ongoing procurement processes (e.g. in the preparation of the bidding documents)

Review of Ongoing/Completed Procurement Activities and Documentation

B. Process and Procedures from Prequalification to bidding - From prequalification (if applicable) to bidding, processes and procedures applied by the Lead Project Implementing Agency exhibit consistency, fairness, value for money, competition, efficiency, and responsiveness to requests for information and to complaints. Processes and procedures are consistent and comply with the following: national procurement regulations and laws; IFAD Project Procurement Guidelines and Handbook (including any ancillary IFAD Procurement Documents/Templates); the Financing Agreement and Letter the Borrower (including provisions for prior review); and, other policies and requirements, such as the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations. Prequalification criteria and schedules of requirements (i.e. technical specifications, quantities or terms of reference, etc.)

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are clearly expressed and measurable. Evaluation methodology is fully disclosed in the bidding documents. There are no requirements in the bidding documents that present a barrier to entry for bidders, except for acceptable national participation requirements. There is evidence showing the following: more than the minimum number of bidders were invited to participate; all bidders received the bidding documents; minimum number of bids were received, as per method requirements; and, competition was maximised.

Process and Procedures from Prequalification to bidding for each procurement should be completed in accordance to the following questions:

- Is the item in the Procurement Plan?
- Is there a formal Procurement Requisition that initiates the process?
- Is the Method proposed in the PP used?
- Is enough done to demonstrate that competition was achieved?
- Is there time provided for bidders to request and receive clarifications, before the submission deadline?
- Is there sufficient time allotted for bidders to prepare quotations, bids and proposals?
- No late bids were accepted?

C. Process and Procedures from Evaluation to Awards: Processes and procedures applied by the Lead Project Implementing Agency for evaluation and contract award exhibit consistency, fairness, value for money, competition, efficiency, and responsiveness to requests for information and to complaints. Processes and procedures are consistent and comply with the following: national procurement regulations and laws; IFAD Project Procurement Guidelines and Handbook (including any ancillary IFAD Procurement Documents/Templates); the Financing Agreement and Letter to the Borrower (including provisions for prior review); and, other policies and requirements, such as the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations. Proper number of evaluation committee members as per IFAD, including at least 1 member with the technical knowledge and experience in coherence with the type of procurement. Evaluation done across 3 steps, Preliminary Examination, Technical Evaluation and Financial Evaluation, consistent with the methods of procurement. Evidence of signatures of evaluation committee members in the pages that carry final recommendation and final scores. Arithmetic corrections are accurate with evidence to show that the errors were formally communicated to bidders, and bidders' acceptance of such corrections. For Prior Review procurements, Technical and Combined Evaluation Reports and Draft Contracts evident with IFAD No Objection filed. Evidentiary documents and/or justification to show how bidders were eliminated from each step. For Post Review procurements, evaluation reports and contracts showing the steps, evident in file.

The Evaluation process for each procurement should be completed in accordance to the following questions:

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- Was Preliminary Examination done?
- Are there objective and justifiable reasons for rejections at Preliminary Examination?
- Was Technical Evaluation done?
- Are there objective and justifiable reasons for rejections at Technical Evaluation?
- For QCBS and QBS was a Technical Evaluation Report submitted to and no-objected to by IFAD before the Financial Proposal(s) was/were opened?
- For all advertised procurement, were bidders informed of the (technical) evaluation outcome?
- Were the bidders given sufficient explanation as to their performance at the (technical) evaluation, if one or more requested this information?
- Were bidders given enough time to submit a challenge/protest?
- For consulting services under QCBS, QBS and LCS, was there a formal opening of financial proposals?
- Was Financial evaluation done and properly?
- Were corrections to Bidders' financials/prices were done, is there correspondence to show that the bidders were (i) notified and (ii) accepted the correction?
- Are there objective and justifiable reasons for rejections at Financial Evaluation?
- For consulting services under QCBS, were bidders provided the results of the combined evaluation and accorded sufficient time to challenge/protest?
- Were challenges/protests received? Were they handled properly?

The Award and negotiations process for each procurement should be completed in accordance to the following questions:

- Was award done after all challenges/protests were received?
- Negotiations were not held for Goods and Works
- Negotiations were held for consulting services?
- Did the negotiations significantly alter:
 - the scope
 - the duration
 - the price

Review of Contract Administration and Management

D. Contract management and Administration: The Lead Project Implementing Agency has sound processes, procedures and systems in place for administration, supervision and management of contracts, including for non-procured contracts/agreements such as grants, partnership agreements etc. Contract formats are consistent with bid documents and/or other legal templates, and include provisions regarding prohibited practises and IFAD's right to audit. Contracts are signed by Project/Government authorities. Correspondences and

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communication between the parties to the contract are available. As applicable, warranties, guarantees (advance payment, performance, retention) and insurance are available or valid. Payments are consistent and timely in accordance with contract provisions. Delivery of goods, works and services is in accordance with timelines. Supervision of works contract is undertaken. Delays are managed and liquidated damages are applied consistently. Complaints and disputes are managed and promptly resolved. IFAD prior review requirements are complied with. Contract register follows IFAD's template and is updated correctly and submitted in accordance with provisions in the Letter to the Borrower.

To ensure that **contract administration review** is effective and efficient, the following should be addressed:

- Advance payment (for Goods and Works): review should include checks for a copy of the advance payment security, acceptability of the format (guarantee, bond, etc.), validity, advance payment recovery plan as captured in the contract, and formal correspondence from issuing bank/financial institution confirming security was issued by them;
- Performance security (for Goods and Works): review should include checks for a copy of the performance security, acceptability of the format (guarantee, bond, etc.), validity (should be valid up to 28 days after contract completion), and formal correspondence from issuing bank/financial institution confirming security was issued by them;
- Retention money guarantee (for Works): review should include checks for need for a retention money guarantee as against a retention, validity, and formal correspondence from issuing bank/financial institution confirming security was issued by them;
- Timeliness of progress payments; and
- Validity of insurance policies.

To ensure that **contract management review** is effective and efficient, the following should be addressed:

- Assessing if contracts are effectively managed by the technical units in charge; and if contracts are executed as per the original schedule.

To ensure that **contract payment monitoring form** review is effective and efficient, the following should be addressed:

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- Identifying issues and weaknesses (and the relevant underlying causes of these issues and weaknesses) in contract administration and management and recommend improvements.

The contract, contract administration and management process for each procurement should be completed in accordance to the following questions:

- Was the Contract signed by both parties? (A copy must be evident in file)
- Has the contract the standard commercial and contractual terms required for a proper procurement agreement, as per relevant category and method?
- Is the procurement requirement (terms of reference, description of services, schedule of requirements, technical specifications) expressed in the contract as consistent with the successful bidder's bid evaluation report and negotiated outcome?
- Was a Contract amendment made to extend time/add funds/add scope?

Review of project's procurement filing system and the ease of document retrieval

E. Record retention: The Lead Project Implementing Agency keeps procurement records orderly in file records in shelves or other safe place, or even better if records are saved orderly electronically and are uploaded to the cloud or other safe electronic environment (including a protected in-house server). The file record should not be cramped. Excess papers should be in additional volumes in one or more additional lever-arch folders. Bids and proposals submitted by bidders may be left out of the lever arch file and kept in appropriately labelled box files. Lever arch folders should have a side label and a file index.

File Index should carry the following minimum information:

- Copy of Procurement Plan, with the item highlighted
- Signed Requisition
- Bidding Document
- Bid Opening documents
- Bids, proposals or quotations (when these are voluminous, a box-file should be used)
- Evaluation documents
- Contract documents
- Any other relevant documents

Review of issues identified in the previous procurement supervision and aide-mémoire and procurement related issues identified in project audit reports

Such review assesses if adequate remedial actions are being taken to address issues or weaknesses raised in the previous procurement supervision, aide-mémoire and in recent project audit reports, as well as identifying any outstanding risk mitigation actions and other

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procurement-related issues arising from implementation support and monitoring. Based on such review, further actions to be taken by IFAD, the project or the Borrower/Recipient will be recommended.

Assessment of further procurement staff training needs

The assessment of further procurement staff training needs entails ensuring relevant training is planned and provided to project management and procurement staff in a timely manner. The assessment should refer to the Capability in Public Procurement under Project Institutional risk assessment of the Risk Matrix. The following must be addressed:

- Existence of a Procurement Unit with at least 2 staff members (Design stage, reference is to government agency)
- Existence of a Procurement Officer (Implementation)
- Staff member(s) required experience in donor funded public procurement
- General quality of documents produced by the procurement office
- Procurement staff having immediate access to the legal and regulatory framework documents
- Procurement and financial management functions being separated

Review of any significant changes in the Borrower/Recipient's procurement system and practices

The review should ensure project procurement procedures and systems are updated accordingly and should focus on the Legal and Regulatory Framework and the Accountability and Transparency under the Country Risk Assessment of the Procurement Risk Matrix. The following must be addressed:

Legal And Regulatory Framework

- Country procurement law, regulations and manual exist
- Existence of Standard Bidding Documents for Goods, Works and Services
- Procurement Monitoring
- Procurement Methods
- Public access to procurement information

Accountability and Transparency

- Procurement Complaints Management
- Country Corruption Perception Index score
- 2-tiered system to handle complaints
- Existence of a debarment system

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- Existence of an independent and competent local authority responsible for investigating corruption allegations

Key findings and conclusions from the PRM assessment update

A project's PRM will need to be reviewed and updated every time the procurement performance of a project is supervised. The PRM will be updated in light of evolving conditions or circumstances, for example, with respect to the national procurement system, improvement/deterioration of project procurement performance, overall implementation progress and results delivery. As a result, procurement and prior review thresholds may be revised, other existing risk mitigation measures may be adjusted or additional measures may be introduced.

If the colour of the circle under the **NET RISK RATING** of the Procurement Matrix changes from:

- 1) **Low risk to High Risk or Medium Risk to High Risk-** (Green → Red) (Yellow → Red)

Procurement specialist must give thorough explanation why the change has occurred, and what the recommendations are

- 2) **High Risk to Medium Risk or Medium to Low Risk** (Red → Yellow) (Yellow → Green)

Procurement Specialist must give thorough explanation why the change has occurred and how

- 3) **Risk remains the same** (colour remains the same)

Procurement Specialist is not required to provide any justification

Procurement performance indicator rating and justification

The Borrower/Recipient and Lead Project Implementing Agency's performance with respect to procurement is assessed in terms of the quality, reliability, transparency and efficiency with which it carries out procurement processes it is responsible for, and the effects on project implementation and results delivery. The procurement performance indicator consists of five pillar sub-ratings that must be averaged (on an equal weight basis) to compute the overall rating. This indicator will be assessed at least once a year.

Ratings (as per below):

Pillars/Ratings	(6) Highly satisfactory	(5) Satisfactory	(4) Moderately Satisfactory	(3) Moderately unsatisfactory	(2) Unsatisfactory	(1) Highly unsatisfactory
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<p>A. Planning</p>	<p>Procurement is very well planned, and all related processes and procedures applied fully meet requirements</p>	<p>Procurement planning exhibits minor shortcomings that have no impact on project implementation and performance.</p>	<p>Procurement planning exhibits 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</p>	<p>Procurement planning exhibits significant shortcomings and inconsistencies across some of the requirements. Project implementation is negatively impacted and delayed; implementation support is required; resolution of issues/constraints is likely but will take some time.</p>	<p>Procurement planning exhibits serious shortcomings and inconsistencies across the board. Project implementation is severely impacted and delayed; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain. Some evidence of prohibited practices.</p>	<p>Procurement planning is non-functional. Project implementation and achievement of development objectives are compromised; procurement risk is very high; resolution of issues/constraints is unlikely. Extensive evidence of prohibited practices.</p>
<p>B. Pre-qualification - Bidding</p>	<p>Processes and procedures applied fully meet requirements.</p>	<p>Processes and procedures applied exhibit minor shortcomings that have no impact on project implementation and performance.</p>	<p>Processes and procedures 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</p>	<p>Processes and procedures applied exhibit significant shortcomings and inconsistencies across some of the requirements. Project implementation is negatively impacted and delayed; implementation support is required; resolution of issues/constraints is likely but will take some time.</p>	<p>Procurement process and procedures applied exhibit serious shortcomings and inconsistencies across the board. Project implementation is severely impacted and delayed; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain. Some evidence of prohibited practices.</p>	<p>Processes and procedures are non-functional. Project implementation and achievement of development objectives are compromised; procurement risk is very high; resolution of issues/constraints is unlikely. Extensive evidence of prohibited practices.</p>
<p>C. Evaluation - Award</p>	<p>Processes and procedures applied fully meet requirements.</p>	<p>Processes and procedures applied exhibit minor shortcomings that have no impact on project implementation and performance.</p>	<p>Processes and procedures applied exhibit some gaps and inconsistencies that have limited impact on project implementation and performance. 21 Implementation support is required, however, prompt resolution of issues/constraints is likely.</p>	<p>Processes and procedures applied exhibit significant shortcomings and inconsistencies across some of the requirements. Project implementation is negatively impacted and delayed; implementation support is required; resolution of issues/constraints is likely but will take some time.</p>	<p>Procurement process and procedures applied exhibit serious shortcomings and inconsistencies across the board. Project implementation is severely impacted and delayed; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain. Some evidence of prohibited practices.</p>	<p>Processes and procedures are non-functional. Project implementation and achievement of development objectives are compromised; procurement risk is very high; resolution of issues/constraints is unlikely. Extensive evidence of prohibited practices.</p>
<p>D. Contract management</p>	<p>Processes, procedures and systems for administration, supervision and management of contracts exhibit high performance across all requirements</p>	<p>Processes, procedures and systems for administration, supervision and management of contracts exhibit minor shortcomings that have no impact on project implementation</p>	<p>Processes, procedures and systems for administration, supervision and management of contracts exhibit some weaknesses. Implementation support is required, however, prompt resolution of issues/constraints is likely</p>	<p>Processes, procedures and systems for administration, supervision and management of contracts exhibit numerous shortcomings. Project implementation is negatively impacted; implementation support is required; resolution of issues/constraints is likely but will take some</p>	<p>Processes, procedures and systems for administration, supervision and management of contract exhibit significant lapses and gaps in terms of performance standards, inconsistently applied controls, inefficiency, and transparency. Project implementation is severely impacted;</p>	<p>Processes, procedures and systems for administration, supervision and management of contracts are non-functional. Project implementation and achievement of development objectives are compromised; procurement risk is</p>

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		and performance.		time.	procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain. Some evidence of	very high; resolution of issues/constraints is unlikely. Extensive evidence of prohibited practices.
E. Record retention	The project's record retention fully meets requirements, and can be regarded as a best practice.	The project's record retention exhibits minor shortcomings that have no impact on project implementation and performance.	The project's record retention exhibits some weaknesses. Implementation support is required, however, prompt resolution of issues/constraints is like	The project's record retention exhibits numerous shortcomings. Project implementation is negatively impacted; implementation support is required; resolution of issues/constraints is likely but will take some time.	The project's record retention exhibits serious shortcomings and inconsistencies across the board. Project implementation is severely impacted and delayed; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain. Some evidence of prohibited practices.	The project's record retention is non-functional. Project implementation and achievement of development objectives are compromised; procurement risk is very high; resolution of issues/constraints is unlikely. Extensive evidence of prohibited practices.
OVERALL	Processes, procedures and systems applied fully meet requirements.	Processes, procedures and systems applied exhibit minor shortcomings that have no impact on project implementation and performance.	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.	Processes, procedures and systems applied exhibit significant shortcomings and inconsistencies across some of the requirements. Project implementation is negatively impacted and delayed; implementation support is required; resolution of issues/constraints is likely but will take some time.	Processes, procedures and systems applied exhibit serious shortcomings and inconsistencies across the board. Project implementation is severely impacted and delayed; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain. Some evidence of prohibited practices.	Processes, procedures and systems are non-functional. Project implementation and achievement of development objectives are compromised; procurement risk is very high; resolution of issues/constraints is unlikely. Extensive evidence of prohibited practices.

Recommendations for improvement and follow-up actions for the Borrower/Recipient and/or IFAD

Based on the supervision review, recommendations for improvement and follow actions should be worked out.

c) In the recommendations, agreed actions should be worked out in order to improve the procurement process

Agreed Action	Responsibility	Agreed Date
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d) The follow-up actions must be based on what has been stated in the recommendation for the improvement.

Recommendation	Follow-up action	Responsibility	Agreed Date