



Investing in rural people

Cambodia

Project for Agricultural Development and Economic Empowerment (PADEE)

Supervision report

Main report and appendices

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Abbreviations and acronyms

ASPIRE	Agriculture Services Programme for Innovation, Resilience and Extension
CARDI	Cambodia Agricultural Research and Development Institute
CEDAC	Cambodian Center for Study and Development in Agriculture
CEW	Commune Extension Worker
CIG	Common Interest Group
CLCs	Community Learning Centres
CWCFFP	Commune Women and Children Focal Point
DST	District Support Team
FAO	Food and Agriculture Organization of the United Nations
FBA	Farm Business Advisor
FFS	Farmer Field School
GCCT	Group Conditional Capital Transfer
GDA	General Directorate of Agriculture
GRF	Group Revolving Fund
ID Poor	Identification of Poor Household Programme, Ministry of Planning
IDE	International Development Enterprises
IFAD	International Fund for Agricultural Development
IGRF	Improved Group Revolving Fund
IRR	Internal Rate of Return
IPM	Integrated Pest Management
ISU	Implementation Support Unit, MOWA
LFA	Local Field Agent
MAFF	Ministry of Agriculture, Forestry and Fisheries
MBWin	MicroBanking System for Windows (banking software)
M&E	Monitoring and Evaluation
MEF	Ministry of Economy and Finance
MFA	Mobile Field Agent
MFI	Micro-finance Intermediary
MIS	Management Information System
MoWA	Ministry of Women's Affairs
MST	Mobile Support Team
NCDD	National Committee for Sub-National Democratic Development
NCDD Secretariat	NCDD Secretariat
NGO	Non-Governmental Organization
NIPMP	National Integrated Pest Management Programme
NLB	Non- Land Based Livelihood Activities
O&M	Operation and Maintenance
PADEE	Project for Agricultural Development and Economic Empowerment
PAR	Portfolio at risk
PIM	Project Implementation Manual
PDA	Provincial Department of Agriculture
PDoWA	Provincial Department for Women's Affairs
PM	Procurement Management
PIPs	Project Implementation Partners
PSU	Project Support Unit
RIMS	Results and Impact Management System
RULIP	Rural Livelihoods Improvement Programme in Kratie, Preah Vihear and Ratanakiri
TA	Technical Assistance
TOT	Training of Trainers
VAHW	Village Animal Health Worker

A. Introduction¹

1. The goal of the Project for Agricultural Development and Economic Empowerment (PADEE) is to improve the livelihoods for poor people in the targeted communes in the project area of Kampot, Kandal, Prey Veng, Svay Rieng and Takeo. The Project Development Objective (PDO) is to improve agricultural productivity and to diversify income sources for rural households living in poverty in the project area. The project aims to reach 246 communes in 33 districts in the five provinces and 90,000 beneficiary households in total of which 49,000 households that are expected to benefit from all project key interventions as part of the IGRF groups. However, the total outreach target has been reduced at mid-term review (MTR) to 68,200 households due to the removal of activities on biogas and linking to the RPRP groups that were found to be already inactive.

2. An IFAD Loan of SDR 11.3 million (equivalent to approximately USD 17.5 million) (IFAD Loan 870-KH) and an IFAD Grant of SDR 11.3 million under the Debt Sustainability Framework (IFAD DSF Grant No. DSF-8101-KH) were approved by the Executive Board of IFAD in April 2012 for financing PADEE. The Project Financing Agreement was signed and became effective on 8 June 2012. The Project Completion Date is 30th June 2018 and the Financing Closing Date is 31 December 2018. Additional financing of SDR 2.1 million was approved by IFAD on 15 Dec 2015 and is awaiting signing by RGC. The Mid Term Review was completed in May 2015 and found overall project performance to be satisfactory.

3. Alongside the regular review of fiduciary issues, the objectives of the Joint Supervision mission are to assess project performance since the Mid Term Review, including progress against the actions and adjustments to the project agreed at MTR. The mission also recommended and agree further actions to raise project performance towards meeting the project development objectives. Following 10 days of field visits to all project provinces, the mission held a 2 day detailed working and planning meeting with senior staff of all implementing teams including PDAs, GDA, MoWA, iDE, SNV, FAO and the PSU.

4. The mission acknowledges with thanks the support of RGC and MAFF PSU for facilitating meetings and very productive field visits. The findings of the mission were presented at the Wrap-up Meeting of project stakeholders on 17 Jun 2016 chaired by H.E. Mam Amnot, Secretary of State, MAFF and PADEE Project Director.

B. Overall assessment of project implementation

Overall implementation progress

5. Overall implementation progress has slowed since MTR and has been only **moderately satisfactory (4)** over the last year. Within the project team, the performance is very variable. The implementation teams in the provinces (PDAs, PDOWAs), GDA, MOWA, iDE, SNV and FAO have all continued to perform well, rated as *satisfactory*, under coordination and facilitation by MAFF-PSU though they have been very disrupted due to the late approval and release of the 2016 budget. The MIS system currently generate some management reports but there are still some spaces for improvement. The Project Implementation Partners (PIPs) have pre-financed all their activities to date in 2016 and without this the project performance this year would be much lower.

6. PSU has been making efforts to follow all legally required process and procedures. In contrast to the good performance of the implementation teams, the PSU performance has not been satisfactory on several critical areas, including: AWPB 2016 preparation, due to the process no

¹ Mission composition: Team Leader (Nigel Smith, Consultant), M&E and KM Specialist (Tawfiq El Zabri, APR), Procurement Specialist (Phan Duy Toan, consultant), Financial Management Specialist (Nguyen Thu Hoai, ICO Vietnam), Programme Management Specialist (Hans von Zoggel, consultant), Rural Finance Specialist (Meng Sakphouseth, CPO, Cambodia). Representatives of MAFF, MOWA, FAO, iDE and SNV joined the mission team in all provinces as well as numerous joint working meetings in Phnom Penh. IFAD CPM, Mr. Benoit Thierry, visited PSU and met with MAFF Minister on 28 – 29 June 2016.

objection and approval was late and confused with the initial AWPB submitted for approval being US\$3m over budget; based on cost table provided by MTR; tablet and online MIS has improved somewhat but is still not generating adequate management information; the pilot on the community learning centres has created a model that for services to farmers that needs to be refined. The 2015 MTR rightly identified the risk of disruption in the PSU due to the change of key staff to the new ASPIRE program, specifically the Deputy Project Manager (DPM) moving to ASPIRE. Unfortunately this transition has not worked well so far as former staff from PSU continued to be actively involved in PADEE, as directly observed by the mission, which has created confusion and contributed to the drop in performance because of overload. The handover period passing information to the new managers should be completed by end June.

7. One priority for improvement identified in the MTR was the need for a more systematic focus on management for results to be reflected in the MIS system. This has improved somewhat since MTR, in particular with a greater focus on the IRR from the technical training under CIGs. However, there is still not yet a clear focus on management for results at all levels in the project and managers need to be consulted on the type of reports that wish to see regularly. Nevertheless, MIS provides report on IRR and adoption rate, and updates data and information toward logical framework for both national and provincial levels.

8. Component 1: all the planned 984 Improved Group Revolving Fund (IGRF) groups have now been mobilized with 49,200 members, of which 63% are women and 21% are poor (ID poor). A large majority of the 772 IGRFs mobilized before MTR are increasingly mature and approaching the stage where they can confidently operate independently, using the MFA service but without further ongoing external support. This is also reflected in the continued growth of the group capital base and low portfolio at risk (PAR - 30 day) - with 85% of all groups now on track to meet the target if increasing their capital base by 25% (in 3 year) and a PAR30 of just 0.1% meaning almost zero bad debt. The project has also initiated internal discussions within the 772 IGRFs over their preferred future sustainability pathway which has been valuable in helping the groups mature further. The focus now must be on ensuring the sustainability and accountability of the MFA bookkeeping service and support the strengthening of 212 IGRFs mobilized after MTR (10,600 households).

9. Component 2: For the core agricultural and non-land based farmer training, technology adoption rates via the common interest group approach appear to be reasonably high - with 30% of people trained under the 1231 CIGs (17,666 households) adopting 3/4 of the elements of the technology and a further 58% adopting at least half - meaning that in total 88% have adopted more than half of the technology elements. So 35% of the IGRF members have chosen to join CIGs. The MIS provides consolidated report on adoption rate and income gain but does not separate the report for original farmer field school training and the new CIGs. Thus the adoption rates and income gains from the original farmer field school training of the first 772 IGRFs (38,600 households) of whom around 18,877 households have subsequently not joined any CIG based on voluntary basis and so have only received the FFS training have been randomly selected to record in the MIS.

10. The newly started activities on value chain development and nutrition have also started well, though are still at their very early stages and will need continued focus. In contrast, the Community Learning Centre pilots although raising good results like their model in Thailand have produced high cost of service that are well beyond what is likely to be affordable by farmers at present and the farmer to farmer work needs to be refined and decentralised.

Likelihood of achieving the development objectives

11. Rated as **satisfactory (5)** as at MTR. The strong foundation of the project in terms of both scale and also core quality of activities outlined above provides confidence that the project is broadly on track to achieve its main development objectives, though attention will need to be given to the 212 new IGRFs that are still very immature with only limited time remaining in the project. There is also still some way to go to ensure sustainability of the critical MFA services to the IGRFs.

Agreed action	Responsibility	Agreed date
Major actions		
Additional Financing agreement to be signed and executed by RGC as soon as possible	MEF	30 July 2016
PSU to revisit roles, responsibility and mandate of key staff including decentralisation, PSU phasing out and exit strategy.	Programme director	Immediately
AWPB 2016 should be revised to reflect the agreements in the mission based on the draft AWPB 2016/17 jointly prepared during the mission	PSU / MEF / IFAD	14 Jul 2016
AWPB 2017 should be largely based on the draft jointly developed during the mission and PDA and PIPs fully involved in any revisions and be submitted to IFAD early for approval	PSU	31 Oct 2016
Project Management should establish clear directives and formats to MIS service provided to include new reports in the tablet/online system	PSU/MIS	30 July 2016
IGRF sustainability pathway: the process of supporting IGRFs to choose and then progress one of the four options (standalone, joint banking day, merge, agriculture cooperatives) should be slowed down and the groups encouraged to make their own decision when they are ready to do so. Any future option for credit management should continue to use MBWin software	PDA's	30 Jun 2016
Outstanding payments to PIPs need to be made urgently to refund large amounts pre-financed due to late AWPB	PSU/MEF/IFAD	24 Jun 2016

C. Outputs and outcomes

Component 1 - Improved Access to Financial Services

12. Progress is rated as ***moderately satisfactory (4)***. With all 984 IGRF groups now mobilized, there is growing evidence that the 772 pre-MTR groups are increasingly mature and developing well - arguably stronger at this stage in their development than in any previous IFAD project in Cambodia. However, the mission observed that the recently mobilized 212 IGRFs groups are still very immature and appear to be following a similar pathway to the original groups, only with less time available for them to reach maturity.

13. Since the MTR, the project has initiated discussion among the original 772 groups about their desired future pathway in terms of four options (remaining as they are, shared banking day, merging or registering as an Agricultural co-operative). This has been a valuable process, but it is evident that this is a major decision and many groups are not yet certain of their desired route as they have only recently begun to think and discuss this. This is a healthy process and one that the mission believes the project should support to take its natural course and not force each IGRF to make a choice just to meet an externally driven timetable, especially given that all provinces will move into ASPIRE after PADEE so there is no project driven urgency to complete this process. The relative current strength of the IGRF groups means that there is no immediate risk to sustainability in allowing this process to take its natural course. In going through this process there are a number of considerations that the project will need to bear in mind including the legal requirement for savings and loan groups to register with National Bank of Cambodia once they reach a certain size. The mission also notes that MBWin-based book keeping has been a critical factor in the success of the groups to date. It therefore must be continued for their savings and loan activities, , either via the MFA or LFA service, regardless of which of the four future directions the IGRF chooses to go down.

14. The MTR recommended that the project introduce a simple self-assessment checklist of good practices to the IGRF groups so they can monitor and improve their own performance. This has not yet been done and was removed from the 2016 due to the confused planning process. This activity is

low cost and will be important to continue to strengthen the group sustainability and should now be completed. This should include, for example, ensuring there are enough members with suitable skills to easily replace the chairperson, treasurer and secretary in the committee without disruption; annual (re)-election of the committee; more flexible loan terms; proper use of the cash book at the time the vouchers are written etc.

15. An encouraging indicator of the growing maturity of the 772 groups is that several of them have begun to ask to be able to offer different loan products to their members - repayment of both principal and interest each month vs. repayment of only interest monthly and principal add the end of the term. These different repayment schedules are best suited to different types of production investment and demonstrate a good understanding by the groups of how best to use the loans. These are standard loan types and can readily be accommodated in the MBWin system. Some additional refresher training and guidance may be needed by the MFA to introduce these.

16. The Mobile Field Agent (MFA) book keeping service using MBWin is generally working well, though the mission notes continued problems with the performance of a small number of MFAs that needs to be resolved. A large majority of the IGRF groups met during the mission seem genuinely committed to continuing to use and pay for the service after the project as they regard it as building transparency in the groups and making the job of the committee manageable. Since MTR, FAO has set-up a complaints hot-line which is being used and proving useful, though IGRF committees need to be encouraged to use it if they have concerns regarding the performance of their MFA. The project has also moved to put in place direct agreement with the external service provider (ESP) running the MFA service (PCG) and the IGRF Groups. This had not yet been completed by the time of the mission and is the final step necessary for most of the 772 IGRF groups to trigger their third and final Group Conditional Cash Transfer from the project. Both the signing of the agreements and the transfers are expected by the project to be completed in 2017 in the large majority of cases.

17. FAO has negotiated an improved service contract with the ESP in which clear minimum quality of service measures for MFAs have been introduced with associated financial penalties for non-performance. Further work is needed to replicate a similar approach in the direct agreements between the ESP and IGRFs that will continue after the project.

18. The planned client satisfaction survey has not yet been completed due to the delayed AWPB approval but is expected to be completed in July.

19. Collectively, the improved contract, complaints hotline and client satisfaction survey are expected to help improve the accountability and consistency of the quality of the MFA performance but this will need to be closely monitored in the coming months, especially once the IGRFs have received their final cash transfer from the project.

20. While the main MFA service approach appears to be working well, there still remains the risk to longer term sustainability of the IGRFs being reliant on a single service provider. The project will therefore need to request FAO to develop a system in which one of more IGRFs could continue to use MBWin but do so via their own "Local Field Agent" who they recruit and manage themselves. This will add a degree of choice and competition into the MFA/LFA service and is expected to further increase the likelihood of sustainability.

Component 2 - Improved Access to Technology and Markets

21. Progress remains **satisfactory (5)** driven by the increasingly effective activities related to land based CIG training and non-land based training on economic activities through the substantial effort delivered by PDA, GDA and MoWA as well as the good progress and impacts being delivered through the iDE PPP model of Farm Business Advisors. This is increasing evident from the initial adoption data from the MIS on a range of crops and activities under CIG showing around 88% of participants have adopted at least half of the technology components covered. However, it is noted that these data only refer to the CIG training and not to the group of 18,877 HH who only received the original Farmer Field School training for which no comparable data is yet available (note: MTR survey also collects data on adoption but using a different method so not comparable).

22. While aggregate progress is satisfactory, the mission notes that there has been only very little farmer training or follow-up so far in 2016 due to the delay budget which was not approved until April and work starting only in May. While most PDA expects to be able to recover most of the delay, some activities have had to be postponed to 2017. Any CIG training activities in 2017 will need to be completed in Q1 to allow proper follow-up later in 2017 and early 2018.

23. Regarding the farmer training, the project has conducted training on things such as rice and chicken in many different ways with many different groups of farmers. However, despite this natural experiment, project managers at provincial and national level have not yet been able to answer the question as to which are the most cost effective mechanism for farmer training and technology transfer nor how this may vary between different types of households. The data area available to answer this but they have not been collected and analysed. The PDAs in particular will need to be able to demonstrate that they are routinely analysing and making decisions based on these types of questions if they are to successfully graduate into ASPIRE under the more decentralized programme based budgeting modalities.

24. Value chain cluster development activities have been started in all provinces with a total of 15 clusters selected for further development. Initial dialogue meetings have been held in all clusters and have been welcomed by participant farmers, traders and businesses. Project teams at district and provincial level appear enthusiastic and engage in the process, as are the team at GDA and MoWA. Significant credit should go to SNV for this strong start, especially given the significant disruption, uncertainty and delay to funding caused by the AWPB 2016 process. Project teams have requested that the capacity building technical assistance of SNV on this be extended by mid 2017 to allow more time to progress the clusters and capacity of the teams. The project teams have noted that there is a need to quickly put in place appropriate grant guidelines based on a simple process for the co-investment grants linked to the clusters. IFAD has experience of similar mechanisms in current project in Vietnam, Nepal and elsewhere and will support the project to develop suitable guidelines based on these experiences.

25. The PPP with Farm Business Advisors under iDE continues to progress well and is on track to reach its farmer outreach and impact targets. Since MTR, iDE have piloted in Takeo an improved business model and service offering to some client farmer in which they supply input as well as buy the outputs. This is currently operating around two collection centres with about 90 farmers linked to each. This was visited by the mission and appears to be working well, though is still at a relatively early stage. iDE plan to extend this pilot into Kandal and possibly Prey Veng. The focus on these three provinces was made necessary as iDE were asked to make significant budget cuts during the AWPB 2016 planning process. Given the evolving direction and improved business model is being introduced, it is now appropriate to bring forward the disengagement of iDE with PADEE on the FBA so that the FBA system can begin to more fully develop as an independent social enterprise.

26. Farmer to farmer learning has been progressed since MTR under the approach of the Community Learning Centres (CLCs) with technical support from POCASUR. To date, one CLC has been initiated in each province and linked to this one Champion Farmer lead training course run in each province as well as several Farmer Congresses involving 5000 farmers up to now. Three CLCs were visited by the mission and detailed discussions held with champion farmers as well as other farmers who participated in the training and congresses. The mission observes that while this is an interesting approach that is reported to be successful in Thailand, the way it has been piloted in PADEE has created expensive cost structures around the CLC, the farmer-led training and the farmer congresses. For example, the farmer-led training course cost around USD2400 in total for a 3 day training of 28 farmers - equivalent of around USD85 per farmer. Similarly the cost of the farmer congress was around USD600 for 50 participants. The model is at a very early stage as a farmer to farmer initiative and cost would need to be reduced. At launching, this exercise has been driven entirely by the PSU and should be decentralised to PDA. A total of around USD750,000 had been assigned to this over 2016/17 for 66 CLCs. As the CLC are still at pilot phase and modalities to be refined and documented, this will be reduced to 2-3 CLC per province as per the MTR recommendation of piloting a maximum of 3 locations in each province in PADEE lifetime. To move

forward, various options were discussed during the mission and the PDAs have a number of interesting ideas worthy of further testing and piloting. To respond to this, the mission considers it sensible at this stage to ask the PDAs begin piloting and testing their own ideas within CLC model on how best to set up sustainable farmer to farmer learning systems. It should be for the PDAs to determine the extent to which the current CLC models can be refined, adapted or replaced to achieve the best results with PROCASUR and PSU support.

27. The mission proposed an idea of a small competition among the PDAs to encourage the development of best practices in this area which was supported in principle by PDAs and PSU at the joint working meeting. Refining the CLC model, PDA to take lead role in developing sustainable farmer to farmer learning mechanisms that are affordable to farmers themselves. This should be done through a competitive process between provinces with each PDA assigned a budget for second half of 2016 to demonstrate the most cost effective mechanism for sustainable F2F learning. Performance will be assessed by PSU using data from the MIS (or similar) and the three best performing provinces will be assigned additional budget for 2017 to use on agriculture development. See annex of main mission report for further details.

28. Crop diversification demos are being implemented as planned. There is now a need to measure the cost effectiveness and impact of this approach - including the number of farmers visiting the demos, the number then adopting and beginning their own production and finally the increased profit they made from the new crop. This would then allow a comparison on cost effectiveness of this demo-based approach to promoting new crops and cropping systems compared to other approaches such as FFS, CIG or F2F methods.

29. Nutrition activities have been initiated in all provinces. While this is a good start, and many women met in villages have very much appreciated the initial cooking competitions and other activities, there is still scope for improvement. Given that many of these approaches are new to Cambodia and that a focus on social marketing is required, MOWA and PDWA are encourage to promote more innovation, linked with strong impact tracking, to help create and identify innovative good practices. This is best done through focusing initially on a small number of the most progressive, engaged districts and communes first and then scaling up once good practices have been identified. An important part of the process is for mothers to be encouraged to regularly track the three key indicators identified (dietary diversity, weight gain of babies, incidence of diarrhoea) so they can quickly see if their actions are leading to positive benefits. At a management level, there appear to be differences in the way chronic malnutrition is defined and measured - especially relating to the PADEE target indicator. These difference should be investigated and understood to allow meaningful comparison on field data and targets.

30. Major agreed actions are presented above and detailed actions listed below:

Agreed action	Responsibility	Deadline
Component 1		
<u>IGRF committee vibrancy:</u> Groups to be encouraged to: a) Conduct annual re-election to committee rather than 3 years b) Expand skills base in group to cover roles of Chair, treasurer and secretary	CEWs support IGRFs to do as an internal process	30 Sep 2016
<u>Self-assessment check list</u> of good practices to be introduced as part of final "housekeeping" of old IGRFs before phasing out CEW support by end 2017. FAO to prepare checklist and training provincial focal points then CEWs introduce to IGRFs.	FAO develop and training 5 focal points CEW rollout	30 Sep 2016
<u>New loan product:</u> Declining balance bullet loan to be introduced, trained to MFA and offered to mature IGRF only - with necessary support	FAO to re-train MFA and PDAs to develop cascade process	30 Sep 2016
<u>Old IGRF phase out CEW regular follow up</u> from end 2016. Monitor via MBWin and then only respond to red flags and problems	PDA	31 Dec 2016

Agreed action	Responsibility	Deadline
<u>MFA system</u> : FAO to continue with actions to improve system/accountability of MFA system - same as MTR agreed action plus introduce performance based measure/payment into IGRF/PCG service agreements.	FAO / PCG	30 Sep 2016
<u>LFA system set-up and testing</u> - FAO to develop and implement plant to do this including costs. Budget to be assigned to FAO to cover additional costs needed.	FAO/PSU	31 Dec 2016
Credit scheme sustainability: exit scenario and sustainability plan to be discussed between PSU and FAO and submitted to IFAD.	FAO/PSU	15 Sept 2016
Component 2		
<u>New first CIG training</u> - any training delayed to 2017 must be done in Q1 to allow time for follow-up	PDA	Q1 2017
<u>FFS effectiveness</u> : Collect adoption and impact data for original FFS, approx. 30 HH randomly per commune. Use FFS record book as baseline on rice and chicken. This is for only the farmers who attend the FFS but did not join the CIG on Rice or Rice Seed or Chicken. Random selection to be done by PDA.	PDA / CEW - PSU to support	30 Sep 2016
<u>Cost effectiveness comparisons</u> should be made of various different training and other activities at provincial level and other analysis of project performance	PDA w/ PSU support	31 Dec 2016
<u>Crop diversification demos</u> - measuring impact and cost effectiveness to compare to other approaches / activities (attendance -> adoption -> profit).	GDA / PDA (MST)	31 Dec 2016
<u>Farmer training</u> - show alternative technologies side by side in training with cost/benefits of each and support farmers to be able to decide which suits them - to be done under remaining chicken hatching CIGs	PDA's	30 Jun 2016 onwards
<u>Household farm record books</u> : The project should place a renewed focus on encouraging farmers to keep and review their own farm record books. This should be linked to the process of business plans for IGRF loan application but also encourage routine review of actual performance vs. the original business plan. Farm record keeping should also be encouraged linked to the F2F knowledge sharing activities that are also being supported.	PDA's	Ongoing from Jun 2016
<u>Farmer 2 Farmer knowledge sharing / CLC</u>		
Refining the CLC model, PDA to take lead role with PROCASUR technical support in developing sustainable farmer to farmer learning mechanisms that are affordable to farmers themselves Performance will be assessed by PSU using data from the MIS (or similar).	PDA's / PSU	Ongoing from Jun 2016
Work on CLC pilots to be refined with lower costs and decentralised management with the F2F models, including any future use of CLC models, via the PDA-led process above and documented for possible future scaling-up..	PSU	Ongoing from Jun 2016
<u>Market and value chains - TA</u> In response to requests from the government project teams, the capacity building TA from SNV to be extended until the end of 2017, and contract revised accordingly, with tapering input. This includes replacing one international post in current contract with two national posts as proposed by SNV and endorsed by the joint project/mission team. From the end of 2017 until June 2018 follow up activities should be done mostly by national TA.	SNV / PSU	31 Jul 16
<u>Market and value chains - Co-investment grant mechanisms</u> - A simple, fast grant making mechanisms should be introduced.	PSU / IFAD	31 Jul 16

Agreed action	Responsibility	Deadline
IFAD will share examples of good practice from the region and support development of suitable grant guidelines. Need to be simple but acceptable to RGC and IFAD.		
<u>Farm Business Advisor - Public Private Partnership</u> . Contract with iDE to be amended to phase out engagement by end June 2017 with minor adjustments to targets as agreed during mission.	MAFF PSU / iDE	31 Jul 16
<u>Nutrition</u> - while continuing with the current approach, PDOWA should focus on strong/innovative communes that can generate best practice first and not try to do in all communes straight away.	MoWA / PDoWA	30 Jun 16

D. Project implementation progress

31. **Project management performance** has fallen substantially and has been *moderately unsatisfactory (3)* since MTR. This has primarily been the result of problems within the PSU especially the prolonged, confused and unsatisfactory AWPB preparation/approval process for FY2016 which has directly resulted in major delays in activities across the project. Based on the cost table provided by MTR, PSU prepared the AWPB 2016 by following the required process. After the PSU worked with IAs PIPs and PDAs to consolidate the AWPB 2016 for PADEE, PSU sent the AWPB 2016 to IFAD on 11th December 2015, and IFAD provided first comments on 4th January 2016. Based on IFAD comments, PSU realized that the project had a challenge regarding the fund sources and availability. After subsequent meetings with all parties concerned and redrafting the AWPB with IAs PIPs and PDAs, PSU sent it to IFAD for NOL on 28th January. PSU got the NOL from IFAD on 1st February, but PSU found that categories sharing of fund for implementation was still a matter for discussion among MEF, PSU and IFAD. After that, PSU sent one email to IFAD for more clarification and then PSU got the clarification and NOL from IFAD on 4th March, which informed the project to stick to the previous NOL dated 1st February. PSU sent an official letter to MEF on 9th March 2016 for AWPB approval. Finally, the AWPB 2016 was approved by MEF on 11th April 2016.

32. While there has been some greater focus on results through the attention to the IRR achieved by farmers, there is also little evidence yet of the required shift to a greater focus on management for results at all levels of the project management that is essential as the project moves through its second half of implementation. This is evident by the lack of understanding and use of the improving MIS data that is increasingly available.

33. The project management of the PDA teams continues to be strong, showing good potential for their future entry into ASPIRE. The two main areas for further improvement are:

- (a) mainstreaming of the capture and use of information and analysis from the MIS in management decisions to enable the provincial teams to continuously monitor and improve their own performance and maximize the impact from public investment.
- (b) shifting the focus of the provincial TA to be on genuine capacity building the PDA teams they work with rather than substituting capacity by leading tasks themselves.

34. **Monitoring and evaluation** has improved somewhat to *moderately satisfactory (4)*. The mid-term RIMS survey has been completed and initial data has been populated into the much delayed MIS. However, despite the good use of the logframe, the MIS systems is still some way from being ready to use as a key management tool. There is still a need for more complete and verified data as well as proper reports formats and analysis. It is vital that the PSU accelerates the process of bring the MIS into full and meaningful operation in order that the project management at all levels can begin to focus on results more explicitly.

35. After the MTR, the mid-term survey and report were completed. An annual outcome survey for 2016 has been completed. At the village level, while the project has invested considerable effort in technical training as well as financial literacy, progress on mainstreaming household record keeping is

very variable and generally still quite low. This could be extremely valuable as part of empowering farmers to learn for themselves as well as generating important data of use to the project. The project teams should place a renewed focus on this with all follow-up activities with households and IGRFs.

36. **FAO Microbanking** system (MBWin) and its Web Based Application continues to work well and is producing arguably the most complete, timely and reliable M&E data in PADEE. Red flag reports produced by this system are routinely check by provincial level management and follow-up actions taken to investigate and resolves the causes of the red flags. MBWin is now linked to the PADEE MIS in order to ensure better coordination of data.

37. **Poverty focus** is only *moderately satisfactory (4)* though there are now few opportunities to materially improve this. The project benefits from focusing on poorer communes and also attempt to gain the participation of active poorer households within those communes. However, as noted at MTR, the unintended consequence of applying a conditional cash transfer mechanism combined with top-down inflexible basic package focusing heavily on rice is that the focus of the project has partly moved away from the poor. This does not mean that the poor have been excluded from the project, but data from the baseline survey indicate that the IGRF group members, on average, are significantly less poor than a control group selected mainly from households with ID-Poor cards. Agreed actions from the MTR to redesigning the group mobilization for the new IGRFs formed in 2015 were not implemented. In the original 772 IGRFs, ID poor households were 21.4% of members compared to 20.0% of members in the final batch of 212 IGRFs. As ID Poor cards have not been reissued in the intervening period, the poverty target actually got slightly worse in the final batch of IGRFs. From discussions with IGRFs during the mission, there may be a possible issue in poor members borrowing less than other members. Unfortunately MBWin does not record the ID poor status of members so this issues should be investigated with a sample of groups.

38. Poor farmers are slightly under represented in the CIG training compared to their membership of IGRFs - only 17% of CIG participant vs 21% in the general IGRF membership. While they are slightly under-represented as participants, they actually have a slightly higher adoption rate than the non-poor CIG participants - 90% of ID poor farmers have adopted at least half the technology elements compared to 88% for non-poor farmers. It is notable that it has taken considerable effort to extract these data from the MIS system.

39. **Gender focus** is *satisfactory (5)*. In terms of the IGRF membership, women's representation is over 63% and 65% of borrowers (MBWin data as of 15 Jun 2016), and in each IGRF board committee at least 2 out of 7 members are women. Women's participation in FFSs and CIG is also satisfactory. Women are represented in farmer training in line with their membership of the IGRF, even for the voluntary CIG training. All CEW teams in the newly started districts comprise one female and one male in compliance with the project design. Various gender awareness training has been conducted with IGRF members. New activities focusing on early childhood nutrition have been launched in all provinces as described above and will further strengthen the projects focus on critical issue of concern to women and build on the initial experience from RULIP.

40. **Targeting** is *moderately satisfactory (4)* and unchanged since the MTR, with the addition that the value chain cluster development and nutrition activities are more open and inclusive of both IGRF and non-IGRF members. As noted at MTR, the project is succeeding well at selecting group members with interest in and potential for improved agriculture production, but less well at targeting the poorest households (see above). Unfortunately, the actions agreed at MTR to improve the effectiveness of the targeting during the mobilization of the new 212 IGRFs were not implemented, in part due to many members having already been selected at the time of the MTR even though the IGRF had not been formally established.

41. **Innovation, Learning and Knowledge Management** is *moderately satisfactory (4)*. The overall situation has improved the past 18 months with support from SNV and PROCASUR and products posted online. A new KM and Communication officer has been recruited to the PSU and has begun working on developing the initial KM products. However a KM plan has not yet been prepared and only a very small budget of USD 35 000 assigned to KM in AWPB 2016.

42. The project is continuing to run its successful annual extension workshops to which GDA and SNV have made substantial contributions. To support learning processes on which the project strategy depends, the GDA has published 5 training packages and 3 extension manuals. There have also been a number of useful knowledge products produced, many developed through SNV, ranging from reviews of FFS and farmer learning experiences, women's drudgery studies as well as many short technical leaflets and posters on particular crops and production practices. Many of these products are readily available on the PADEE website (www.padee.org). SNV have also supported the production of knowledge videos using the "Most Significant Change" methodology for capturing and sharing knowledge. These products should ideally be better internalised by MAFF.

43. In addition, under the ongoing value chain development activities SNV will recruit two additional national value chain KM staff to capture and document of processes and experience from the cluster development activities.

44. The project strategy also relies heavily on promoting learning among farmers: PADEE is experimenting with farmer exchanges and other farmer to farmer mechanisms for sharing good practices. A number of training modules have been prepared and delivered and have involved champion farmers; and farmer congresses, community learning events and value chain dialogues have been held. While the project continues to support these areas, it may also be worthwhile to expand sharing between project and non-project districts within a province; and between PADEE provinces and others. The mission encourages the PSU to consider options for sharing experiences and lessons learned with Government officials in local administrations as well as with elected Council members as may be appropriate. To feed such exchanges, it will be important that PADEE's MIS is able to easily generate insightful progress summaries for provinces and districts on a periodic basis. A communication action plan should be developed to complement the project's M&E plan, which already defines target users/audiences and communication methods for various measures of project efficacy.

45. **Partnerships** are central to the project implementation modalities with FAO, iDE and SNV as implementing partners alongside MAFF, MoWA and the sub-national agencies. The relationships among all partners remains generally good, though the significant uncertainty surrounding the AWPB 2016 preparation process and late disbursement of funds created some tension but these have now been resolved.

46. Involvement of iDE will phase out as planned by Jun 2017, while the project teams have request to continue SNVs capacity building support on value chain development for a longer period than initially planned. This demonstrates the value of the partnership. The partnership between MAFF and FAO continues to be very strong and productive, as demonstrated by the success of the IGRF groups.

47. The clear value created by each of these partnerships demonstrates the value of well-chosen partnerships with the RGC-IFAD project modalities as well as providing many practical lessons on making such partnership work which will be extremely valuable to ASPIRE and future projects.

48. **Climate and environment** focus remains **satisfactory (5)**. The project is supporting many rural households to diversify their farming and livelihood systems. Through agricultural training there is widespread promotion of better soil and in-field water management, for example in rice production as well as through the promotion of drip irrigation systems by iDE. Other aspects seek to improve the appropriate use of chemicals and inputs - for example through the promotion of poly ground cover sheets in vegetable production that help reduce the pest load and hence the need for using pesticides. To compliment these crop based activities, the project has had considerable success in promoting non-land based livelihoods - through more intensive chicken raising, mushroom production, as well as various handicrafts and other non-agriculture related income sources. The drought and late rains in 2016 have highlighted the need for improved resilience to increasingly variable rainfall patterns and this is increasingly a high priority for farmers, many of whom have begun to invest in ponds and drip irrigation as well as diversifying into non-rain dependent production like livestock and handicrafts.

49. Major agreed actions are listed in Section B above and further detail actions listed below:

Agreed action	Responsibility	Agreed date
<u>AWPB 2017</u> should be largely based on the draft AWPB 2017 jointly developed during the mission and attached to this report. This should be submitted to MEF and IFAD for approval by end October to allow the remaining farmer training activities to be implemented in Q1 2017	MAFF PSU/IAs/PIPs	31 Oct 2016
<u>Poverty focus</u> : investigate to confirm that there is no anti-poor bias in the access to loans within IGRFs. Conduct sample investigation and develop plan for corrective measures if any issues confirmed.	MAFF PSU/FAO/PDA	30 Sep 2016
<u>Knowledge Management</u> plan to be developed identify schedule and process of KM products to be developed including the use of asia.ifad.org. Ensure adequate budget is included in the AWPB to implement the agree plan. PADEE exit strategy should present well prepared documents/analysis on 5 years' experience and models implemented.	MAFF PSU	31 Jul 2016

E. Fiduciary aspects

50. **Financial Management is *moderately satisfactory (4)***. Financial Statements were prepared appropriately. At the PSU, PIPs and District level financial management is satisfactory, however still with room for improvement. The accounting software is not able to automatically generate report that consolidates expenditures by component as per grant and loan, and report for advance payment management, liquidation as per PIPs, Districts, etc. On top of these disadvantages, the software does not support users to produce Withdrawal Applications. These tasks remained to be done manually by the project finance officer.

51. The mission has reviewed and re-calculated the loan balance and shared with the project for AWPB revision. It is recommended that the project shall update SDR/USD exchange rate more frequently and adjust any change to avoid shortage of budget for implementation.

52. **Coherence between AWPB and implementation is *moderately unsatisfactory (3)***. The project achieved a disbursement of 61% of the AWPB in 2015. As of 31 May, disbursement was only 14% of the AWPB 2016. The 2016-2017 AWPB was submitted and received NOL from IFAD. The process of the AWPB preparation and approval for 2016 was very unsatisfactory, not least as the original 2016 AWPB submitted for approval to IFAD and the associated outline 2017/18 budget was USD 3 million higher than the available funds. This required substantial revisions and IFAD provided NOL in February only for the PSU to submit a revised AWPB 16 with further changes shortly afterwards that were rejected by IFAD. Together with the MAFF's requests for MEF to support the salary supplements for government staff, this protracted and confused process meant that the AWPB 2016 was not finally approved until April and even there with significant issues that have had to be addressed during the current mission.

53. **Withdrawal Application**: Since the last supervision mission, the project has submitted to IFAD nine (09) Withdrawal Applications. A number of WAs were chosen by random sampling method for review. Spot checks were also conducted on the financial management documents maintained by the PSU, PIPs and the districts, inclusive of WAs, statements of expenditure (SOEs), Designated Account reconciliations and other financial records. A good filing system is in place however the mission noted that 10% of VAT and 15% of withholding tax from SNV have been claimed into all the WAs. It is requested that PSU to review all expenditures claimed by SNV, FAO and iDE and determined exactly the amount of taxes that have been claimed till date. The amount of taxes which were incorrectly claimed shall have to be charged to RCG and refund to IFAD. The project is using Smart SOEs methodology and there is a new form to apply. The mission shared with project finance officer the form "Summary sheet by expenditure category" for inclusion to future WAs. The mission noted that

there remain several pending WAs in relation to advances, and justification of expenditures of iDE and SNV between July 2015 and March 2016 for a total amount of USD 1.6 million. These WAs were just submitted to MEF by PSU last week for signature. The PSU is recommended to be more pro-active in coordinating with PIPs to prepare WA for timely submission to IFAD, avoiding shortage of funds at PIPs, which is partly a cause for project implementation delay.

54. **Internal control system:** Management of project funds: as mentioned above, project has difficulty in managing the balance of funds. Besides, the project has not yet allocated fund to each component following MTR revision of loan re-allocation.

55. **Petty cash:** transactions were not updated in the accounting software. At the time of the mission, some transactions in May were not entered into the software system which created petty cash balance difference between book and the software. All transactions must be entered into the system before the close of business day and that the project shall ensure that the monthly ending balance in hard copies matches with the one of electronic copy.

56. **Asset management:** The project register of assets is recorded in excel file and printed copy. Asset verification was organized annually. Insurance was purchased for project vehicle only.

57. **Fund reallocation:** As at 30 April 2016, Category 2. Technical Assistance of grant has over spent 10% and Category 5. Operating Costs and Allowances of loan has over spent 30%. Given the project has only two years to go before completion in June 2018, the PSU is advised to review and update the 2016-2018 AWPB as early as possible. Upon availability of the updated 2016-18 AWPB, a fund re-allocation request should be sent to IFAD for approval.

58. **Disbursement is *satisfactory (5)*.** As of 30 April 2015, actual expenditure for both loan and grant and by all financiers stood at USD 29,542 million against a total project cost of USD 43,244 million (68%). This includes 83% (USD 14,500 million) of the approved grant amount of USD 17,500 million by IFAD, 63% (USD 11,000 million) of the approved IFAD loan amount of 17,500, and 100% of SNV amounting USD 0.668 million, 98% (USD 0.306 million) of FAO amounting USD 0.313 million, 169% (USD 0.640 million) of iDE amounting USD 0.378 million. RGC has disbursed 71% of its contribution. Disbursement from IFAD (inclusive of advance) for loan is 72% (SDR 8,137 million) and for grant is 94% (SDR 10,593 million).

59. **Counterpart funds** rating is ***moderately satisfactory (4)***. The disbursement of counterpart funds to the project account was about USD 2,388 million, stands at 51% of total commitment. However, counterpart fund has not been fully allocated to 2016-2017 AWPB as committed. The Government allocated only USD 0.700 million to the 2016-2017 AWPB while the balance to be budgeted is more than USD 2 million, not inclusive of the top up commitment (another USD 0.800 million). The mission noted that Government agreed to cover 20% of category 5, 75% of category 1 and 100% for vehicle only while category 5 has already disbursed more than 30% from IFAD loan. With these percentages of financing, Government cannot disburse 100% of their commitment. The mission recommended the Government to consider to cover 100% of operation cost, and parts of other categories. The project shall send IFAD a proposed re-allocation of funds with the revised financing percentage after agreement from MEF which ensures that Government will cover 100% of Government contribution commitment with IFAD (balance of \$3,100,000 inclusive of \$800,000 top up).

60. **Beneficiary contribution** meets only 4% of the plan. The mission recommended the finance officers to work with PIPs and M&E officers to update record of contribution from beneficiaries to meet the project target.

61. **Compliance with loan covenants is *satisfactory (5)*.** All loan covenants are complied with.

62. **Procurement** is rated as ***moderately satisfactory***.

63. **Procurement Planning:** Following agreed actions from the MTR, the revised AWPB and procurement plan for 2015 were prepared and submitted to IFAD for no objection in June 2015. The AWPB 2016-2017 and procurement plan for 2016 was approved late in April 2016 due to a time-consuming process for their preparation, revisions and approval. Consequently, there were delays in

implementation of planned activities under the AWPB 2016. Main procurement activities done in 2015 are contract extensions for 16 national/sub-national specialists/advisors/coordinators, recruitments of two individual consultants, auditor selections, and a shopping of office equipment. So far, no new procurement activities under the AWPB 2016 were carried out.

64. **Procurement Processes and Procedures:** Random checks of procurement and contract documents at PSU by the mission show that procurement activities were carried out in compliance with PIM, Standard Operating Procedures (SOP) and the Procurement Manual. One issue of concern is that, there were delays and constraints for selection of consultant for “Service Providing (Outsource) on NLB Training and Follow-up”. This service package was planned under the revised AWPB 2015 using single source selection method to select Agronomes et Vétérinaires Sans Frontières (AVSF) for the assignment. MoWA-ISU started the consultant selection process in 2015, and obtained IFAD’ no objection to proceed with contract negotiations on 12 November 2015. However, the consultant selection was pending, and revisions were made in the procurement method (changed to QCBS) and budget reduction for this activity under the AWPB and procurement plan 2016. Therefore, for proceeding with this service contract, the mission recommend that the MoWA-ISU/PSU (i) prepare and submit a revised procurement plan for this service package to MEF for approval; (ii) revise scope of works in the TOR in line with the approved budget of the package; (iii) issue a simplified request for proposal to AVSF for re-submission of their proposal; (iv) evaluate the proposal and conduct contract negotiations; (v) obtain IFAD’s no objection on the consultant selection and contract negotiation results before signing the contract. Since MoWA-ISU has no specialized procurement staff, PSU will assign its staff to support directly for carrying out MoWA-ISU’s project procurement activities.

65. **Procurement Records and Contract Management:** procurement and contract documents were updated and maintained in files for each contract. The procurement tracking sheet and contract registers were prepared and updated by PSU.

66. **Staffing:** recruitments are to follow standards procedures from publication, long list/shortlist, to exams and interviews. In addition the mission respectfully reminds the project of the principle that family members cannot work in the same project to avoid any potential conflict of interest. IFAD is monitoring these type of issues carefully and may ask for audit if found necessary.

67. **Audit** is rated *moderately satisfactory (4)*. An audit for 2014 was conducted timely by the DBO Auditing firm company. The auditor's opinion was “unqualified”. However, the auditor failed to provide separate opinions on the project financial statement, SA and SOEs as required by IFAD. The Management Letter presented a series of internal control issues that required immediate remedial actions by the project at PSU and provincial level. It was noted that most of these issues were addressed at the SM. The mission met the auditors and requested improvement in the 2015 audit report which includes but is not limited to the requirement for three separate opinions as well as the information on the project assets, contribution of beneficiaries, etc.

Agreed action	Responsibility	Agreed date
<u>Procurement</u>		
MoWA Procurement: To proceed with consultant selection for "Service Providing (Outsource) on NLB Training and Follow-up" under the AWPB 2015/2016, the MoWA-ISU/PSU (i) prepare and submit a revised procurement plan for this service package to MEF for approval; (ii) revise scope of works in the TOR in line with the approved budget of the package; (iii) issue a simplified request for proposal to AVSF for re-submission of their proposal; (iv) evaluate the proposal and conduct contract negotiation; (v) obtain IFAD's no objection on the consultant selection and contract negotiation results before signing the contract. PSU assign its staff to support directly for carrying out MoWA-ISU's project procurement activities	MoWA-ISU, PSU	Q3 /2016
<u>Financial management</u>		
Fund reallocation: MEF to submit to IFAD a proposed amendment for re-allocation including change of financing percentage	PSU/MAFF/MEF	Jul 2016
Counterpart Fund: Government to approve/allocate the full budget for project in 2016-2017 as per the AWPB.	MAFF/MEF	Jul 2016
Accounting software: Study on the adaptation/upgrading of the accounting software to include reporting features as mentioned above.	PSU	Jun 2016 onwards
Audit report: issue three separate opinions as per IFAD requirement.	PSU	30 Jun 2016
Taxes claimed in the WAs: PSU to check and refund to IFAD the amount of taxes which were incorrectly claimed into the previous WAs to IFAD.	PSU	31 Aug 2016

F. Sustainability

68. **Institution Building is moderately satisfactory (4).** The most important issue for institutional sustainability is the sustainability of the IGRF groups as fully empowered farmer-driven community savings and credit organizations. All the planned IGRFs have now been mobilized. The IGRFs mobilized before the MTR continue to demonstrate an impressive level of internal cohesion, commitment and capacity to manage and sustain their own operations. In many cases, the mission considers that a majority of groups are now ready to stand on their own without regular supervision or support from the project which is very encouraging so early in the project. However, their long term sustainability also relies the sustainability of the external book-keeping service using MBWin currently provided by the MFAs contracted to the External Service Provider ("PCG"). As outlined under Component 1, further work is still needed to be sure that this overall system is indeed sustainable without ongoing project oversight. With 2 years still remaining, there is considered a reasonable likelihood for a large majority of these pre-MTR groups to be well sustained after the project if the MFAs continue to operate well.

69. For the final batch of IGRFs mobilized since the MTR, these are still at an early stage of development and will need more intensive coaching and support through the remaining period of the project. If they follow a similar path to group maturity as the earlier IGRFs then most of these new IGRFs will be approach the stage of being able to operate without support by the time the provinces transition from PADEE into ASPIRE. Should they need selected further coaching for a longer period then this may be available from the PDAs under ASPIRE.

70. In terms of agricultural service delivery, as noted in the MTR, the FBA system appears to be proving itself as an effective and efficient PPP model for agricultural extension delivery. The ongoing piloting of a further evolution of the business model, including both input supply and off-take purchasing from farmers, appears to be showing good early results in Takeo - both for farmers and for the FBA business model. With further progress of this improved business model and service offering the likelihood of sustainability of the FBA systems will be significantly increased. Further evidence on this will be available in 2017.

71. **Empowerment is satisfactory (5).** The mission found genuinely impressive levels of empowerment among a large number of the pre-MTR IGRFs visited. The project has also made good

progress towards demand driven extension activities through the CIGs and NLB activities that have empowered households to choose the opportunities they want to pursue. Assuming that the new IGRFs follow as similar pathway, they too should achieve a good level of empowerment.

72. **Quality of beneficiary participation** has improved and is **satisfactory (5)** as a result of the project having now completed the transition to demand driven extension delivery on all aspects. While the level of beneficiary participation within the IGRFs internal operations is very good, care will need to be exercised by the PDA teams in supporting the IGRFs to develop their own individual sustainability pathways (e.g. in terms of moving to joint banking days, merging or converting to become ACs etc). In particular, it will be important that the IGRFs are able to make fully informed independent choice and follow their own natural development path rather than being "led" toward one particular pathway preferred by project teams or centrally determined policies.

73. Responsiveness **of service providers** is **satisfactory (5)**. As noted at MTR, the partnerships with external institutions are of good added value to PADEE. The iDE FBA are extremely responsive to farmer requirements - as it is the basis for the FBA's own livelihoods. More generally, since MTR, the MSTs have become increasingly responsive as the project has moved to demand driven agricultural extension. The various trainers and service providers supporting the groups on non-land based activities have been highly responsive from the outset.

74. In terms of the service linked to IGRFs and the fund management FAO, as the provider of the MBWin system has been very responsive to the needs of the project. However, there are still some issues with the unsatisfactory performance of a small number of MFAs in serving the IGRFs. Several actions were agreed at MTR and in the previous implementation support mission which should make significant steps to address this issue and improve the accountability and responsiveness of the MFA service. Progress on this will need to be closely monitored over the next 12 months given the inherent dependency that the project has created for the IGRF groups on the MFA system which is provided by a single service provider.

75. **Exit strategy** is **moderately satisfactory (4)**. The exit strategy for the supported agriculture and non-land based economic activities of the project appears to be increasingly sound as the project move to a far more market-oriented focus and demand driven service delivery. Thus it can be reasonably expected that households will continue with their improved economic activities. It is however noted that there is not yet sufficiently reliable data being generated from the project MIS system to confirm this conclusively at this stage.

76. However, as noted at MTR, to remain competitive and prosperous farmer will need to continuously improve and adapt their farming business or other household enterprises. There is therefore a need for the project to foster the emergence of more effective farmer to farmer knowledge sharing and self-driven learning, rather than the current model of heavy reliance on only expert led training, which can only meet a small part of the demands of farmers. The initial piloting of the Community Learning Centre models was intended to address this gaps but has provided disappointing results in terms of the affordability of the approach to facilitating farmer to farmer knowledge sharing.

77. For the 15 selected cluster across the four VCs, activities are at a very early stage but early indications are encouraging. However, there is limited time remaining in PADEE to progress these to a level of maturity which is truly sustainable after the project.

78. For the IGRFs the exit strategy is becoming somewhat clearer as many are already ready to operate independently without ongoing support other than the MFA bookkeeping service. The focus for the exit strategy for the IGRFs should therefore focus on the MFA system and, to a lesser extent, on any chosen group mergers or conversion to ACs.

79. **Potential for scaling-up and replication** is **satisfactory (5)** and expected to continue improve as refinements to the approach are introduced and more reliable evidence gathered on their relative effectiveness, efficiency and impacts. Elements which already appear ready for scaling up and replication include the IGRF model if sustainability and inclusion issues can be resolved and the iDE

Farm Business Advisor PPP model for market oriented farmer service delivery. The cluster-based value chain development and facilitation approach has shown promising early results which gives further confidence to this approach being scaled-up within the forthcoming AIMS project.

80. Agreed actions related to sustainability are embedded in preceding agreed actions.

G. Other

Physical/financial assets – is rated as satisfactory (5)

81. The mid-term impact survey undertaken during the 3rd quarter of 2015 used panel data and control group to compare changes in outcomes and impacts since the 2013 baseline survey. The project households (treatment group) was composed of 1530 households (TD), and the control group was composed of 765 households within the treatment villages (CD1) and 750 households in non-treatment villages within the project provinces (CD2).

82. The mid-term survey found the value of household assets owned by participating households increased on average by 25%, exceeding the project target. Mobile phones, motorbikes, hand tractors and solar-electrical appliances showed significant increases for project HHs compared to control groups, but overall asset ownership changed less markedly when comparing TD and CD, possibly due to substitution. For example, the significant decline in bicycles owned by project households probably correlates with the increase in motorbikes. The survey also found that floor space available to HHs has increased across the three groups since baseline (indicating that HHs have either extended their houses or built additional floors) but that these increases have been significantly higher among the project households (TD).

83. In terms of financial assets, while at the baseline only 15% of HHs interviewed were members of a credit/savings group, this has now increased to 37%, with the increases mostly among project HHs. There has been a significant change in the sources of credit, with a reduction in the average percentage of HHs who borrow money from MFIs and banks in favour of borrowing from credit/savings groups. This is particularly significant among the project HHs. For project HHs, the cheapest credit on average was from their credit/savings groups. Although the survey did not assess ownership or value of financial assets; however project monitoring shows that capitalization and growth of revolving funds has provided a cumulative capital of USD9.5 million to 984 IGRFs, which is USD300 000 beyond the target.

Food security – is rated as moderately satisfactory (4)

84. While the mid-term survey found that average percentage of rice consumed that is produced by the HHs has reduced overall (from 73% to 63%) the percentage for project HHs has increased (from 70% to 75%). This suggests higher ability to fulfil household food requirements from own production, and this higher food security. At the same time project HHs have also increased rice sales. One-on-one (or Difference-in-difference) comparison from baseline to MTR for three aspects of rice production shows more favourable results for project (TD) HHs compared to the overall averages: 40% of project HHs increased the quantity of rice produced compared to overall average of 35%; and 33% of project HHs increased the quantity of rice sold (and income from rice sales) compared to overall average of 24%.

85. Yet it should be noted that rice yields have not increased for most of the project sample. Farmers attribute this to drought and other external factors. Adoption of rice production technologies promoted by PADEE project shows that about 50% of HHs who received training have fully adopted the technologies with almost another 20% having partially adopted to date. Productivity of land used has increased for cash crops; and treatment households have also improved non-farm outcomes: 78% of TD HHs increased their non-farm income, an increase 10% higher when comparing with CD2 households). Analysis of the CD1 domain shows a higher yield among those CD1 households that were late comers as PADEE participants (both for wet season and dry season rice). These changes may be associated with the reduction of chronic malnutrition from 16% to 11.9% among TD HHs - almost at the 10% target specified in the project objective.

Quality of Natural Asset Improvement and Climate Resilience – is rated as satisfactory (5)

86. Climate resilience of target communities is increasingly important for sustainability of project impact. The project is supporting a number of technologies that improve environmental sustainability (e.g. natural fertilisers, integrated pest management); improve efficiency of on-farm water management (e.g. land levelling, drip irrigation promoted by iDE). Improved, diversified and environmentally sustainable agriculture and non-land based production will assist households to become more resilient - as is especially evident by the success of a high number non-land based and CIG activities. At the same time, the IGRF are building both social and financial capital which will help recovery from shocks.

87. Although the project has not directly addressed climate vulnerabilities, the establishment of group revolving funds now provides farmer groups with some additional liquidity, which could help smooth cash flow or respond to shocks. This is more likely to be the case once groups mature enough to provide different lending terms customized to borrower needs. While the limited amounts available mean that this could in any case only provide a small and short breathing space, groups that continue to save and build their capital base, and that mature further, may be able to establish linkages with financial service providers and thereby expand their future financial options. One of the training packages prepared by GDA specifically addresses climate change adaptation in agriculture. Agreed action related to impacts are embedded in preceding recommendations.

H. Conclusion

88. Overall performance since MTR has dropped to **moderately satisfactory (4)**. The implementation teams in the provinces (PDAs, PDOWAs), GDA, MOWA, iDE, SNV and FAO have all continued to perform well, rated as *satisfactory*, under coordination and facilitation by MAFF-PSU though they have been very disrupted due to the late approval and release of the 2016 budget and the MIS system currently generate some management reports but there are still some spaces for improvement. The PIPs have pre-financed all their activities to date in 2016 and without this the project performance this year would be much lower. PSU has been making efforts to follow all legally required processes and procedures. In contrast to the good performance of the implementation teams, the PSU performance has been hampered on several critical areas, including: AWPB 2016 prolonged preparation, due to the process of no objection and approval. This has detracted from the overall performance of the project and the PSU performance needs to improve in the coming period to recover its good pre-MTR performance. Considering that PADEE will complete activities in 18 months' time, exit strategy should be developed by PSU including decentralisation to PDAs and phasing out of PSU as planned.

89. Encouragingly, during the mission there was engagement from the PSU, PDAs, MoWA, SNV, iDE and FAO in jointly reviewing progress and developing credible action plans and budget for the remaining period of the project. Similarly PADEE will continue documenting its experiences through appropriate knowledge products to ensure dissemination and scaling up. If these plans can be implemented, then there can be every confidence that the project will be a significant success and easily meet or exceed its development objectives and generate value lessons for future investment programme. The agreed actions in this report reflect the agreements and plans jointly developed between the project and mission teams.

90. IFAD and the Royal Government of Cambodia endorse the findings of the supervision mission.

Appendix 1: Summary of project status and ratings

Project 1559 [1100001559] Project for Agricultural Development and Economic Empowerment - Draft

Basic Facts

Country	Cambodia		Project ID	1559 [1100001559]	Loan/DSF/Grant/ASAP FI No.	1000004239, 1000004241
Project	Project for Agricultural Development and Economic Empowerment				Top-up Loan/DSF/Grant/ASAP FI No.	2000001394
Date of Update	19-Jun-2016					
Supervising Inst.	IFAD					
No. of Supervisions	3	No. of Implementation Support/Follow-up missions	2			
Last Supervision	17-Jun-2016	Last Implementation Support/Follow-up mission	22-Oct-2015			

USD million Disb. rate %

Approval	03-Apr-2012			Total financing	47.8	
Agreement	08-Jun-2012	Effectiveness lag	2.2	IFAD Total	35.00	72
Entry into force	08-Jun-2012	PAR value	-----	IFAD loan	17.50	63
First disbursement	25-Oct-2012			DSF grant	17.50	83
MTR	04-Apr-2015	Last amendment		IFAD grant		
Original completion	30-Jun-2018	Last audit	15-Jun-2015	ASAP grant	0.00	0
Current completion	30-Jun-2018			Domestic Total	6.88	36
Current closing	31-Dec-2018			Beneficiaries	2.19	4
No. of extensions	0			National Govern	4.69	54
				External Cofinancing Total	6.50	
				FAO	0.31	98
				iDE	0.38	169
				SNV	0.67	100
				GEF/SCCF	4.60	0

Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	5	4	1. Quality of project management	5	3
2. Acceptable disbursement rate	5	5	2. Performance of M&E	3	4
3. Counterpart funds	5	4	3. Coherence between AWPB & implementation	4	3
4. Compliance with financing covenants	5	5	4. Gender focus	5	5
5. Compliance with procurement	3	4	5. Poverty focus	4	4
6. Quality and timeliness of audits	5	4	6. Effectiveness of targeting approach	4	4
			7. Innovation and learning	4	4
			8. Climate and environment focus	5	5

B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Financial Services	4	4	1. Institution building (organizations, etc.)	4	4
2. Technology and Markets	5	5	2. Empowerment	5	5
			3. Quality of beneficiary participation	4	5
			4. Responsiveness of service providers	5	5
			5. Exit strategy (readiness and quality)	4	4
			6. Potential for scaling up and replication	5	5

B.5 Justification of ratings

For Comp 1, with all 984 IGRF groups now mobilized, there is growing evidence that the 772 pre-MTR groups are increasingly mature and developing well. However, the mission observed that the recently mobilized 212 IGRFs groups are still very immature and appear to be following a similar pathway to the original groups, only with less time available for them to reach maturity. Further progress is being made but more still needed on the sustainability of the MFA bookkeeping service. For comp 2, there has been solid cumulative progress on agricultural and non-land based training and technology transfer. The various services delivered by the project have been increasing responsive and demand driven.

there was a notable drop in the project management performance since MTR, which affected the AWPB planning process and other aspects of delivery.

Overall Assessment and Risk Profile

	Last	Current
C.1 Physical/financial assets	5	5
C.2 Food security	4	4
C.3 Quality of natural asset improvement and climate resilience	5	5
C.4 Overall implementation progress (Sections B1 and B2)	5	4
Rationale for implementation progress rating		
C.5 Likelihood of achieving the development objectives (section B3 and B4)	5	5

Rationale for development objectives rating

The strong foundation of the project in terms of both scale and also core quality of activities provides confidence that the project is on track to achieve its main development objectives. This perception is reinforced by the findings of the MTR RIMS survey and data concerning the IGRF group performance, including a very low PAR30 of 0.1%. total outreach targets were reduced at MTR as two parts of the design on biogas digesters and linking to the older GRF groups from RPRP was in fact not feasible. The management problems in the PSU have had knock on effects in the rest of the project so actually physical progress since MTR has been slower than expected. Thankfully the PDAs and PIPs (SNV, FAO, iDE) have done their best to keep the project moving, in the case of the PIP by pre-financing all their activities in 2016 until June and had not yet been reimbursed at the time of the mission.

C.6 Risks *Short description of major risks for each section and their impact on achievement of development objectives and sustainability*

Fiduciary aspects	Employment of close family members of senior PSU within the PSU is a clear fiduciary risk. Similarly, the nomination of contract staff rather than proper professional recruitment raises further concerns, both for PADEE and ASPIRE.
Project implementation progress	The principal risks to project implementation are the failure to manage the project towards development objectives (rather than inputs and activities as is currently the case) and the closely related issue of having a functional MIS and strong M&E that supports the project managers to do so. This risk continues and has not been fully resolved. Partnerships remain central to the project approach in both main components. Partnerships between RGC and the PIPs are working well, but remain critical to the project and will need continued efforts from all sides to maintain them well. The FBA/LorsThmey extension network created by iDE is emerging as a high impact / high efficiency PPP model for extension service delivery, but as a genuine PPP system it requires ongoing (but reducing) public sector financial support until it reach greater financial security.
Outputs and outcomes	Without reliable information on the impacts and outcomes of activities under Component 2 there remain risks that project activities may not deliver the intended outcomes if project managers cannot ensure that they are managed for results. There is also a risk that without greater market orientation and facilitation of market linkages in some promising product value chains that the current benefits to households will be lost due to oversupply in the local market. The recently initiated work on 4 priority value chain linkages should reduce this risk. For IGRFs, the principal risks now relate to the sustainability of the vital MFA bookkeeping services. Action are being taken to further raise the sustainability of these services.
Sustainability	The two main risks to sustainability are: 1. Sustainability of overall IGRF systems and roles of MFAs. 2. Market sustainability of CIG-based income activities. Progress is being made on both aspects but there is still further progress to be made.

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Major actions	Additional Financing agreement to be signed and executed by RGC as soon as possible	30 June	

		2016
	PSU Management issues need to be resolved urgently in reconfirming roles, responsibility and mandate of key staff.	Immediately
	AWPB 2016 should be revised to reflect the agreements in the mission based on the draft AWPB 2016/17 jointly prepared during the mission	14 Jul 2016
	AWPB 2017 should be largely based on the draft jointly developed during the mission and PDA and PIPs fully involved in any revisions and be submitted to IFAD early for approval	31 Oct 2016
	Management should establish clear directives and formats to MIS service provided to include new reports in the tablet/online system	30 July 2016
	IGRF sustainability pathway: the process of supporting IGRFs to choose and then progress one of the four options (standalone, joint banking day, merge, AC) should be slowed down and the groups encourage to make a decision when they are ready to do so. Any future option should continue to use MBWin for the record keeping.	30 Jun 2016
	Outstanding payments to PIPs need to be made urgently to refund large amounts pre-financed due to late AWPB	24 Jun 2016
Component 1	<u>IGRF committee vibrancy</u> . Groups to be encourage to: a) Conduct annual re-election to committee rather than 3 years b) Expand skills base in group to cover roles of Chair, treasurer and secretary	30 Sep 2016
	<u>Self-assessment check list</u> of good practices to be introduced as part of final "housekeeping" of old IGRFs before phasing out CEW support by end 2017. FAO to prepare checklist and training provincial focal points then CEWs introduce to IGRFs.	30 Sep 2016
	<u>New loan product</u> : Declining balance bullet loan to be introduced, trained to MFA and offered to mature IGRF only - with necessary support	30 Sep 2016
	<u>Old IGRF phase out CEW regular follow up</u> from end 2016. Monitor via MBWin and then only respond to red flags and problems	31 Dec 2016
	<u>MFA system</u> : FAO to continue with actions to improve system/accountability of MFA system - same as MTR agreed action plus introduce performance based measure/payment into IGRF/PCG service agreements.	30 Sep 2016
	<u>LFA system set-up and testing</u> - FAO to develop and implement plant to do this including costs. Budget to be assigned to FAO to cover additional costs needed.	31 Dec 2016
Component 2	<u>New first CIG training</u> - any training delayed to 2017 must be done in Q1 to allow time for follow-up	Q1 2017
	<u>FFS effectiveness</u> : Collect adoption and impact data for original FFS, approx 30 HH randomly per commune. Use FFS record book as baseline. Focus on rice and chicken. This is for only the farmers who attend the FFS but did not join the CIG on Rice, Rice Seed or Chicken. Random selection to be done by PDA.	30 Sep 2016
	<u>Cost effectiveness comparisons</u> should be made of various different training and other activities at provincial level and other analysis of project performance	31 Dec 2016
	<u>Crop diversification demos</u> - measuring impact and cost effectiveness to compare to other approaches / activities (attendance -> adoption -> profit).	31 Dec 2016
	<u>Farmer training</u> - show alternative technologies side by side in training with cost/benefits of each and support farmers to be able to decide which suits them - to be done under remaining chicken hatching CIGs	30 Jun 2016 onwards
	<u>Household farm record books</u> : The project should place a renewed focus on encouraging farmers to keep and review their own farm record books. This should be linked to the process of business plans for IGRF loan application but also encourage routine review of actual performance vs. the original business plan. Farm record keeping should also be encouraged linked to the F2F knowledge sharing activities that are also being supported.	Ongoing from Jun 2016
	<u>Farmer 2 Farmer knowledge sharing</u>	

	PDA to take lead role in developing sustainable farmer to farmer learning mechanisms that are affordable to farmers themselves. See annex of main mission report for further details.	Ongoing from Jun 2016
	Work on CLC pilots to be refined with lower costs and decentralised management with the F2F models, including any future use of CLC models, via the PDA-led process above	Ongoing from Jun 2016
	<u>Market and value chains - TA</u> : In response to requests from the government project teams, the capacity building TA from SNV to be extended until the end of 2017, and contract revised accordingly, with tapering input. This includes replacing one international post in current contract with two national posts as proposed by SNV and endorsed by the joint project/mission team. From the end of 2017 until June 2018 follow up activities should be done mostly by SNV national TA - but this will be re-confirmed in 2017 subject to need,	31 Jul 16
	<u>Market and value chains - Co-investment grant mechanisms</u> - A simple, fast grant making mechanisms should be introduced. IFAD will share examples of good practice from the region and support development of suitable grant guidelines. Need to be simple but acceptable to RGC and IFAD.	31 Jul 16
	<u>Farm Business Advisor - Public Private Partnership</u> . Contract with iDE to be amended to phase out engagement by end June 2017 with minor adjustments to targets as agreed during mission.	31 Jul 16
	<u>Nutrition</u> - while continuing with the current approach, PDOWA should focus on strong/innovative communes that can generate best practice first and not try to do in all communes straight away.	30 Jun 16
AWPB 2017	<u>AWPB 2017</u> should be largely based on the draft AWPB 2017 jointly developed during the mission and attached to this report. This should be submitted to MEF and IFAD for approval by end October to allow the remaining farmer training activities to be implemented in Q1 2017	31 Oct 2016
Poverty Focus	<u>Poverty focus</u> : investigate to confirm that there is no anti-poor bias in the access to loans within IGRFs. conduct sample investigation and develop plan for corrective measures if any issues confirmed.	30 Sep 2016
KM	<u>Knowledge Management</u> plan to be developed identify schedule and process of KM products to be developed including the use of asia.ifad.org. Ensure adequate budget is included in the AWPB to implement the agree plan.	31 Jul 2016
Fiduciary		
<u>Procurement</u>	MoWA Procurement : To proceed with consultant selection for "Service Providing (Outsource) on NLB Training and Follow-up" under the AWPB 2015/2016, (i) prepare and submit a revised procurement plan for this service package to MEF for approval; (ii) revise scope of works in the TOR in line with the approved budget of the package; (iii) issue a simplified request for proposal to AVSF for re-submission of their proposal; (iv) evaluate the proposal and conduct contract negotiation; (v) obtain IFAD's NOL on the consultant selection and contract negotiation results before signing the contract. PSU assign its staff to support directly for carrying out MoWA-ISU's project procurement activities	Q3/2016
<u>Financial management</u>	Fund reallocation : MEF to submit to IFAD a proposed amendment for re-allocation including change of financing percentage	Jul 16
	Counterpart Fund : Government to approve/allocate the full budget for project in 2016-2017 as per the AWPB	Jul 16
	Accounting software : Study on the adaptation/upgrading of the accounting software to include reporting features as mentioned above.	Jun 16 onwards
	Audit report : issue three separate opinions as per IFAD requirement.	30 Jun 16
	Taxes claimed in the WAs : PSU to check and refund to IFAD the amount of taxes which were incorrectly claimed into the previous WAs to IFAD.	31 Aug 16
Additional observations		

Appendix 2: Updated logical framework: Progress against objectives, outcomes and outputs

Narrative	Objectively Verifiable Indicators (OVI)	Means of Verification	Achievements	Assumption/Risk
Project Goal: Improved livelihoods for poor rural people in the target of Kampot, Kandal, Prey Veng, Svay Rieng and Takeo Provinces				
	Household assets owned by participating households increased on average by 10%	<ul style="list-style-type: none"> Impact study with panel Most significant change and longitudinal analysis Wealth rankings 	<ul style="list-style-type: none"> Assets owned increased by 25% Child chronic nutrition dropped from 16% to 11.9% among treatment sample 	Validity depends on comparable control group.
	Decrease in prevalence of child chronic malnutrition to 10%			
	Target households increase annual food consumption by 25%			
Project Objectives: Improved agricultural productivity and increase income for rural households living in poverty in the five provinces				
	Around 65,200 households directly benefiting from project activities by PY6 (RIMS indicator)	Implementer records	<ul style="list-style-type: none"> 49 200 IGRF members (w: 31 661) 3000 RPRP members 1534 small business grants 52 200 financial literacy training 	<ul style="list-style-type: none"> No major natural or man-made disasters National economic growth generating employment Households have access to quality food products Efficient and equitable intra-household food allocation
	Targeted households increase wet and dry season paddy yields by 15%	<ul style="list-style-type: none"> Impact study with panel Farm IRR estimates 		
	Agriculture labour productivity (rice, livestock and vegetable) of target households increased by 15%.	<ul style="list-style-type: none"> Impact study 		
Component 1: Improved access to financial services - Targeted households improve access to financial services to increase investment or savings				
IGRFs functional	Outcome 1: 984 IGRFs functional by PY6 (PAR below 5% of loans outstanding; IGRF reporting regularly; monthly transactions)	FAO report & MBWin, PDA report	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Cambodian government continues to promote rice production/exports Technology adopted by farmers is appropriate to raise productivity Continued economic growth generates
	Output 1: <ul style="list-style-type: none"> 984 IGRF established by PY4 (MAFF-PSU) Accounting, record keeping and reporting services provided by MFAs to all 984 (FAO) PAR below 5% of loans outstanding 		984 IGRG established, with: <ul style="list-style-type: none"> 49 200 members accounting records 	

Narrative	Objectively Verifiable Indicators (OVI)	Means of Verification	Achievements	Assumption/Risk
	<ul style="list-style-type: none"> 49,200 IGRF members by PY4 At least 50% (24,600 IGRF members) are women At least 25% (1,722) have female IGRF board members (PY6) 50% IGRFs are able to maintain their books without MFA support by PY6, (subject to result of satisfactory survey) 		<ul style="list-style-type: none"> PAR<3% 31 661 women Xx women board members 	<p>appropriate market opportunities in non-rural sectors</p> <ul style="list-style-type: none"> Continued availability of quality agricultural inputs in project area
IGRFs growing by Y3 of operation	Outcome 2: 785 IGRFs increase the size of their initial fund to USD 15,000 after 36 months of operation	FAO report & MBWin	Not yet applicable	<ul style="list-style-type: none"> Absence of extreme weather events or new pests/diseases Women household members able to actively participate Continued strong performance by MFI sector External service providers perform satisfactorily Finance tools promoted are appropriate to raise savings and investments.
	Output 2: <ul style="list-style-type: none"> Financial literacy education delivered to all 984 IGRFs & 120 GRFs (PSU) All IGRFs are audited before second tranche and also subject to review of their annual financial report By the end of PY6, all IGRF groups have received 3 transfers 785 IGRFs increase the size of their initial fund to USD 15,000 after 36 months of operation 		52 000 groups received literacy training; audited before 2 nd tranche	
IGRF paying MFA's fee	Outcome 3: MFA services fee is accepted by IGRF and ESP	FAO report & MBWin MFA Report Client satisfaction survey	Gradual	
	Output 3: <ul style="list-style-type: none"> A complaints and feedback mechanism for MFA service for IGRFs established and functioning to satisfaction of IGRF. IGRF & GRF groups paying at least 90% of MFA fee due within 30 days Client satisfaction surveys show at least 75% of IGRF & GRF are at least "satisfied" with services provided by MFA based on regular (annual) client satisfaction surveys 		Complaints hotline established, but limited use. Satisfaction survey planned.	
Members access formal finance	Outcome 4: 50% of IGRF members linked with banks have savings of at least \$150 in their account by PY6	Bank/MFI Record	Not yet applicable	
	Output 4: <ul style="list-style-type: none"> Number of groups with bank deposits and loans Members who have deposited at least 150 USD 		Not recorded yet	
Effective use of farmer credits	Outcome 5: Use of loans for intended purpose/business plan; and profits generated	PDA reports	100% (self-reported)	
	Output 5:		100% (self-reported)	

Narrative	Objectively Verifiable Indicators (OVI)	Means of Verification	Achievements	Assumption/Risk
	<ul style="list-style-type: none"> Number of loans used as per business plans 			
Component 2: Improved access to technology and markets				
Farmers use improved technologies	Outcome 1: 70% of trained farmers still adopt recommended technology after 2 years (by type)	GDA, MoWA, SBK survey	50% full adoption, 20% partial. Data suffers sampling issues	<ul style="list-style-type: none"> Government is open on inclusion of innovations in training packages; Implementing partners able to identify and apply innovations in the training packages effectively; Number of farmers trained in NLB activities is low. Few FBAs are leaving the network or inactive. Bio-digester designs may not work with poorer families Farmers interest and their active participation. Training quality including quality demonstration plots; Labor savings techniques successfully increase women participation in trainings
	Output 1: <ul style="list-style-type: none"> 12 training module and curriculum prepared 496 CEWs trained and working by PY4, of which 50% are women 180 MSTs trained 49,200 beneficiaries trained in first package (rice plus) by MSTs 25,000 beneficiaries trained in second package (CIG-LB) by MSTs, 15,000 HHs trained on CIG-NLB 15 Farmer community learning centers (FCLC) operational 8,000 Demonstration plots on crop diversification Farmer congresses organized and F2F exchange visits 		<ul style="list-style-type: none"> 12 modules developed 241 MST members trained 57 484 persons trained in ag tech. 1362 persons trained in NLB 3 CLCs established, target dropped 	
FBA sustainability	Outcome 2: At least 180 FBAs generating 40% IRR, 8,000 HHs (IGRF) and 12,000 HHs (non-IGRF) served	iDE Report		
	Output 2: <ul style="list-style-type: none"> 300 FBAs supported to provide inputs to farmers 6,000 outstanding farmers trained by PY5 180 FBAs serving more than 40 HHs 180 FBAs receive at least \$1,000 net income per year from iDE supported activities 		<ul style="list-style-type: none"> 274 FBAs operational (w: 18%) serving 5000 farmers in 2015, 14000 in total 84 FBAs serving >40 farmers 	
Farmers diversify their incomes:	Outcome 3: Non-land based share & source of income increased for at least 10% of IGRF members by PY5.	MOWA reports	Not yet measured	
	Output 3: <ul style="list-style-type: none"> 700 non IGRF beneficiaries trained in non-land based income generating activities, 70% women, by PY5 		Not recorded	
Effective links to market	Outcome 4: Aggregate sales value for 4 priority VC products increased by 20% (in real terms) for IGRF members in the VC cluster areas within 3 years of starting cluster's VC activities	SNV, MoWA, PSU reports	Not yet reached	
	Output 4: <ul style="list-style-type: none"> Rapid mapping for 4 commodities 34 grants for small business facilities and VC development 		<ul style="list-style-type: none"> 4 rapid maps & action plans completed 34 grants awarded 	
Value of sales increases				

Narrative	Objectively Verifiable Indicators (OVI)	Means of Verification	Achievements	Assumption/Risk
	<ul style="list-style-type: none"> At least 1 VC cluster per province established At least 4 VC action plans for certain commodities prepared, funded and implemented At least 1 intervention per province 		<ul style="list-style-type: none"> Cluster orientation meetings held 	
Value of purchase through PPP model	Outcome 5: Value of purchases of agriculture inputs through PPP model increases 10% on average	iDE reports	Not yet recorded	
	Output 5: <ul style="list-style-type: none"> At least 10 collection points established 840 farmers (120 groups, 7 per group in average) connected to collection points Tracking of prices received by IGRF members compared to non-members with continued relationship with buyers 		<ul style="list-style-type: none"> 2 collection points established, used by 140 farmers 	
Access to energy	Outcome 6: A viable low cost (less than USD 300) bio-digesters developed and market viability tested	Viability study (GEF)	<ul style="list-style-type: none"> Target deferred to GEF grant 	
Nutrition	Outcome 7: HHs have improved nutrition outcomes	MoWA report		
	Output 7: <ul style="list-style-type: none"> Low cost early childhood nutrition promoted and tested in 1 commune (4 villages per commune) in all districts by 2015 and reviewed/refined for roll-out to all districts 	MOWA and SBK report	Not recorded	
Component 3: Efficient management and coordination by MAFF and all other implementing agencies to support satisfactory project implementation				
	Outcome 1: Project management rated satisfactory	IFAD Supervision Ratings	Moderately unsatisfactory	

Appendix 3: Summary of key actions to be taken within agreed timeframes

Action Area	Action Agreed	Whom	Date	Progress
Major actions	Additional Financing agreement to be signed and executed by RGC as soon as possible	MEF	30 June 2016	
	PSU Management issues need to be resolved urgently in reconfirming roles, responsibility and mandate of key staff.	Programme director	Immediately	
	AWPB 2016 should be revised to reflect the agreements in the mission based on the draft AWPB 2016/17 jointly prepared during the mission	PSU / MEF / IFAD	14 Jul 2016	
	AWPB 2017 should be largely based on the draft jointly developed during the mission and PDA and PIPs fully involved in any revisions and be submitted to IFAD early for approval	PSU	31 Oct 2016	
	Management should establish clear directives and formats to MIS service provided to include new reports in the tablet/online system	PSU/MIS	30 July 2016	
	IGRF sustainability pathway: the process of supporting IGRFs to choose and then progress one of the four options (standalone, joint banking day, merge, AC) should be slowed down and the groups encourage to make a decision when they are ready to do so. Any future option should continue to use MBWin for the record keeping.	PDA's	30 Jun 2016	
	Outstanding payments to PIPs need to be made urgently to refund large amounts pre-financed due to late AWPB	PSU/MEF/IFAD	24 Jun 2016	
Component 1	<u>IGRF committee vibrancy</u> . Groups to be encourage to: a) Conduct annual re-election to committee rather than 3 years b) Expand skills base in group to cover roles of Chair, treasurer and secretary	CEWs support IGRFs to do as an internal process	30 Sep 2016	
	<u>Self assessment check list</u> of good practices to be introduced as part of final "housekeeping" of old IGRFs before phasing out CEW support by end 2017. FAO to prepare checklist and training provincial focal points then CEWs introduce to IGRFs.	FAO develop and training 5 focal points CEW rollout	30 Sep 2016	
	<u>New loan product</u> : Declining balance bullet loan to be introduced, trained to MFA and offered to mature IGRF only - with necessary support	FAO to re-train MFA and PDA's to develop cascade process	30 Sep 2016	

Action Area	Action Agreed	Whom	Date	Progress
Component 2	<u>Old IGRF phase out CEW regular follow up</u> from end 2016. Monitor via MBWin and then only respond to red flags and problems	PDA	31 Dec 2016	
	<u>MFA system</u> : FAO to continue with actions to improve system/accountability of MFA system - same as MTR agreed action plus introduce performance based measure/payment into IGRF/PCG service agreements.	FAO / PCG	30 Sep 2016	
	<u>LFA system set-up and testing</u> - FAO to develop and implement plant to do this including costs. Budget to be assigned to FAO to cover additional costs needed.	FAO	31 Dec 2016	
	<u>New first CIG training</u> - any training delayed to 2017 must be done in Q1 to allow time for follow-up	PDA	Q1 2017	
	<u>FFS effectiveness</u> : Collect adoption and impact data for original FFS, approx 30 HH randomly per commune. Use FFS record book as baseline. Focus on rice and chicken. This is for only the farmers who attend the FFS but did not join the CIG on Rice, Rice Seed or Chicken. Random selection to be done by PDA.	PDA / CEW - PSU to support	30 Sep 2016	
	<u>Cost effectiveness comparisons</u> should be made of various different training and other activities at provincial level and other analysis of project performance	PDA w/ PSU support	31 Dec 2016	
	<u>Crop diversification demos</u> - measuring impact and cost effectiveness to compare to other approaches / activities (attendance -> adoption -> profit).	GDA / PDA (MST)	31 Dec 2016	
	<u>Farmer training</u> - show alternative technologies side by side in training with cost/benefits of each and support farmers to be able to decide which suits them - to be done under remaining chicken hatching CIGs	PDAs	30 Jun 2016 onwards	
	<u>Household farm record books</u> : The project should place a renewed focus on encouraging farmers to keep and review their own farm record books. This should be linked to the process of business plans for IGRF loan application but also encourage routine review of actual performance vs. the original business plan. Farm record keeping should also be encouraged linked to the F2F knowledge sharing activities that are also being supported.	PDAs	Ongoing from Jun 2016	
<u>Farmer 2 Farmer knowledge sharing</u> PDA to take lead role in developing sustainable farmer to farmer learning mechanisms that are affordable to farmers themselves. This should be done through a competitive process between provinces with each PDA assigned a budget of approximately USD25,000 for second half of 2016 to demonstrate the most cost effective mechanism for sustainable F2F learning. Performance will be assessed by PSU using data from the MIS (or similar) and the three best performing provinces will be assigned additional discretionary budget for 2017 to use on agriculture development of the order of	PDAs / PSU	Ongoing from Jun 2016		

Action Area	Action Agreed	Whom	Date	Progress
	USD60,000 for the top province, USD40,000 and USD20,000 for the second and third best provinces. See annex of main mission report for further details.			
	Work on CLC pilots to be refined with lower costs and decentralised management with the F2F models, including any future use of CLC models, via the PDA-led process above	PSU	Ongoing from Jun 2016	
	<u>Market and value chains - TA</u> : In response to requests from the government project teams, the capacity building TA from SNV to be extended until the end of 2017, and contract revised accordingly, with tapering input. This includes replacing one international post in current contract with two national posts as proposed by SNV and endorsed by the joint project/mission team. From the end of 2017 until June 2018 follow up activities should be done mostly by SNV national TA - but this will be re-confirmed in 2017 subject to need,	SNV / PSU	31 Jul 16	
	<u>Market and value chains - Co-investment grant mechanisms</u> - A simple, fast grant making mechanisms should be introduced. IFAD will share examples of good practice from the region and support development of suitable grant guidelines. Need to be simple but acceptable to RGC and IFAD.	PSU / IFAD	31 Jul 16	
	<u>Farm Business Advisor - Public Private Partnership</u> . Contract with iDE to be amended to phase out engagement by end June 2017 with minor adjustments to targets as agreed during mission.	MAFF PSU / iDE	31 Jul 16	
	<u>Nutrition</u> - while continuing with the current approach, PDOWA should focus on strong/innovative communes that can generate best practice first and not try to do in all communes straight away.	MoWA / PDoWA	30 Jun 16	
AWPB 2017	<u>AWPB 2017</u> should be largely based on the draft AWPB 2017 jointly developed during the mission and attached to this report. This should be submitted to MEF and IFAD for approval by end October to allow the remaining farmer training activities to be implemented in Q1 2017	MAFF PSU/IAs/PIPs	31 Oct 2016	
Poverty Focus	<u>Poverty focus</u> : investigate to confirm that there is no anti-poor bias in the access to loans within IGRFs. conduct sample investigation and develop plan for corrective measures if any issues confirmed.	MAFF PSU/FAO/PDA	30 Sep 2016	
KM	<u>Knowledge Management</u> plan to be developed identify schedule and process of KM products to be developed including the use of asia.ifad.org. Ensure adequate budget is included in the AWPB to implement the agree plan.	MAFF PSU	31 Jul 2016	
Fiduciary Procurement	MoWA Procurement : To proceed with consultant selection for "Service Providing (Outsource) on NLB Training and Follow-up" under the AWPB 2015/2016, (i) prepare and submit a revised procurement plan for this service package to MEF for approval; (ii) revise scope of works in the TOR in line with the approved budget of the package; (iii)	MoWA-ISU, PSU	Q3/2016	

Action Area	Action Agreed	Whom	Date	Progress
	issue a simplified request for proposal to AVSF for re-submission of their proposal; (iv) evaluate the proposal and conduct contract negotiation; (v) obtain IFAD's NOL on the consultant selection and contract negotiation results before signing the contract. PSU assign its staff to support directly for carrying out MoWA-ISU's project procurement activities			
<u>Financial management</u>	Fund reallocation: MEF to submit to IFAD a proposed amendment for re-allocation including change of financing percentage	PSU/MAFF/MEF	Jul 16	
	Counterpart Fund: Government to approve/allocate the full budget for project in 2016-2017 as per the AWPB	MAFF/MEF	Jul 16	
	Accounting software: Study on the adaptation/upgrading of the accounting software to include reporting features as mentioned above.	PSU	Jun 16 onwards	
	Audit report: issue three separate opinions as per IFAD requirement.	PSU	30 Jun 16	
	Taxes claimed in the WAs: PSU to check and refund to IFAD the amount of taxes which were incorrectly claimed into the previous WAs to IFAD.	PSU	31 Aug 16	

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

Project Activities	Unit (as per AWPB 2014)	Actual Achieved 2014	AWPB (planned 2015)	Actual Achieved 2015	% (YTD)	Appraisal target (as per PIM)	Cumulative (2016)	% (cumulative)
Component 1: Improved Access to Financial Services								
1. Conditional Capital Transfers to IGRFs								
a. First tranche	group	547	212	984	100%	984	984	100%
b. Second tranche	group	225	413	547	132%	984	772	23%
c. Third tranche	group		225	225	100%	984	225	0%
2. Accounting, record keeping and reporting services provided by MFAs	group		984	984	100%	984	984	100%
3. IGRF having Portfolio At Risk below 5%	group		984	961	98%	984	961	98%
4. IGRF trained in financial literacy	persons				100%	52 200	52 200	100%
5. IGRF's audited	group					984	772	78%
6. Complaints system established	system	-	1	1	100%	1	1	100%
Component 2: Improved Access to Technology and Markets								
Number of training module and curriculum, subject matter, prepared		0	12	15	125%	15	15	100%
CEWs trained and working by PY4, of which 50% are women		170		216		492	492	100%
Number of MST trained		195		195		241	241	100%
Number of households trained in first package (Rice Plus) by MST		33080		33080		38600	38675	100%
Number of households trained in second package (CIG Land Based) by MST		5122		22912		35000	30799	88%
Number of households trained in second package (CIG Non Land Based)		0		0		5000	1385	28%
Farmer community learning center (FCLC) operational		0		3		66	5	8%
Demonstration on crop diversification		0		0		8000	0	0%
Number of farmer congress organized and number of F2F exchange/exposure visits		0		0		246	29	12%
FBA's supported to provide inputs to farmers		0		275		210	286	136%
Outstanding farmers trained by PY5		0		87		984	152	15%
(Number of FBA serving more than 40 HHs)		0		86		125	91	73%
Non-IGRF beneficiaries trained in non-land based income generating activities, of which at least 70% are women by PY5		0		0		700	174	25%

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 Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

VC reports after rapid mapping for 4 commodities		0		0		5	5	100%
Grants provided for small business facilities		0		0		34	34	100%
At least 2 collection points per province established.		0		2		10	2	20%
336 Farmers (120 groups - 7 per group in average connected to collection point)		0		26		336	88	26%

Appendix 5: Financial: Actual financial performance by financier; by component and disbursements by category

Table 5A: Financial performance by financier (as at 30/04/2016)

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
SNV	668.50	668.51	100%
FAO	313.35	306.65	98%
iDE	378.49	640.31	169%
IFAD grant	17,499.95	14,439.77	83%
IFAD loan	17,500.08	11,013.78	63%
Beneficiaries	2,193.81	85.13	4%
The Government	4,690.32	2,388.36	51%
Total	43,244.49	29,542.51	68%

Note: The above figures exclude:

- USD 3,000,000 IFA Loan -post MTR top-up which has not yet been executed by RGC
- GEF funding for which implementation has not yet begun

Table 5B: Financial performance by financier by component (USD '000) (as at 30/04/2016)

Component	IFAD Loan			IFAD Grant			Government			Beneficiaries			iDE			SNV			FAO			Total		
	Original Approval	Actual	%	Original Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%
Component 1	12,725.0	8,447.5	66	2,461.3	2,298.6	93	257.4			918.8	85.13	9							313.4	306.7	98	16,675.8	11,137.9	67
Component 2	3,397.0	1,702.5	50	13,080.3	9,479.4	72	3,634.3	1,625.4	45	1,275.0		0	378.5	640.3	169	668.5	668.5	100				22,434.2	14,116.2	63
Component 3	1,378.1	882.5	64	1,957.8	2,662.0	136	798.6	760.9	95													4,134.5	4,305.5	104
Total	17,500.1	11,032.6	63	17,499.9	14,440.0	83	4,690.3	2,386.3	51	2,193.8	85.13	4	378.5	640.3	169	668.5	668.5	100	313.4	306.7	98	43,244.5	29,559.5	68

Table 5C: IFAD loan disbursements (SDR, as at 30-04-2016)

Category	Category description	Original allocation		Revised allocation		Disbursement (3)		W/A Pending (4)		(3)+(4)		Balance		% Disbursed	
		Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan	Grant	Loan
I	Equipement		150,000		85,000	-	85,469			-	85,469	-	(469)	0	101%
II	Technical Assisance	1,760,000	-	1,730,000	-	1,754,953	-			1,754,953	-	(24,953)	-	101%	0%
III	Consultancy Service and Training	5,310,000	-	6,675,000	-	5,425,926	-			5,425,926	-	1,249,074	-	81%	0%
IV	Group Conditional Transfer Schemes	-	6,890,000	-	8,150,000	-	5,376,669			-	5,376,669	-	2,773,331	0%	66%
V	Operating Costs and Allowances	1,250,000	1,520,000	850,000	575,000	720,354	746,266			720,354	746,266	129,646	(171,266)	85%	130%
VI	Rural Business Stimulus Facility	-	140,000	-	-	-	-			-	-	-	-	0%	0%
VII	Activities Implemented by PIPs	1,850,000	1,470,000	2,045,000	2,490,000	1,230,479	966,010			1,230,479	966,010	814,521	1,523,990	60%	39%
	Unallocated	1,130,000	1,130,000	-	-					-	-	-	-	0%	0%
	Advance iDE					31,684	24,892			31,684	24,892	(31,684)	(24,892)		
	Advance SNV					115,435	91,603			115,435	91,603	(115,435)	(91,603)		
	Advacnce FAO					79,283	62,378			79,283	62,378	(79,283)	(62,378)		
	Advance DA at NBC					1,235,507	784,203			1,235,507	784,203	(1,235,507)	(784,203)		
	Total	11,300,000	11,300,000	11,300,000	11,300,000	10,593,620	8,137,490	-	-	10,593,620	8,137,490	706,380	3,162,510	94%	72%

Figure 1: IFAD loan/grant disbursement, comparisons between original and revised allocations and actual disbursement

Appendix 6: Compliance with legal covenants: Status of implementation

Section	Covenant	Compliance Status/Date	Remarks
Section B, Paragraph 6	There shall be two designated accounts denominated in USD opened and maintained by the Borrower/Recipient in a bank acceptable to the Fund	Complied with	
Section D, Paragraph 1 (a)	The MAFF Project Support Unit (the "MAFF-PSU") shall have been duly established and staffed in accordance with Section II, Schedule 1 to this Agreement	Complied with	
Section D, Paragraph 1 (b)	The Designated Accounts shall have been duly opened and the authorized signatories shall have been submitted to the Fund.	Complied with	
Section D, Paragraph 2	The following are additional specific conditions precedent to withdrawal under Category four as provided in the allocation table, schedule 2 to this Agreement: (a) An external Service Provider shall have been engaged to carry out financial management activities and (b) The IT infrastructure shall have been in place and functional for the Group Conditional Transfer Scheme to operate	Complied with Complied with	
Section D, Paragraph 3	The following are designated as additional conditions for suspension: The Project Implementation Manual (the "PIM"), or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior consent of the Fund, and the fund has determined that such waiver, suspension, termination, amendment or modification has had, or is likely to have, a material adverse effect on the project.	N/A	
Schedule 1, Paragraph 5	For the purpose of this Agreement, the Implementing Agencies (the "IAs") shall include the MAFF, the MoWA, the National Committee for Sub-National Democratic Development Secretariat (the "NCDD", the Provincial, District and Commune Administrations, the Provincial Departments of Agriculture (the "PDA") and the Provincial Departments of Women's Affairs (the "PDOWA") and their District Offices.	Complied with	
Schedule 1, Paragraph 6	The Borrower /Recipient shall appoint the MAFF as the Lead Project Agency to assume overall responsibility over Project implementation and coordination.	Complied with	
Schedule 1, Paragraph 18	<i>Annual Work Plans and Budgets (AWPBs)</i> . Each province and PIP shall prepare an AWPB and the MAFF-PSU shall prepare a final AWPB for each Project year to be submitted to the Fund for no-objection by 15 November every year. The AWPBs would include, inter alia, a Procurement Plan, a detailed description of planned Project activities during the coming Project year, and the sources and uses of the proceeds of the IFAD Financing.	Complied with	
Schedule 1, Paragraph 19	<i>Project Implementation Manual (PIM)</i> . The MAFF-PSU shall prepare a draft PIM as soon as practicable, based on the draft PIM as soon as practicable, based on the draft PIM prepared by IFAD's final design mission report of February 2012 (the Appraisal Report), but in no event later than thirty (30) days after the entry into force of this Agreement.	Complied with	

Section	Covenant	Compliance Status/Date	Remarks
Schedule 1, Paragraph 20	The MAFF in its capacity as the Lead Project Agency will forward the draft PIM to the Fund for its comments and approval no later than sixty (60) days after the entry into force of this Agreement. If the Fund does not comment on the draft PIM within thirty (30) days of receipt, it shall be deemed approved. The Lead Project Agency shall adopt the PIM, substantially in the form approved by the Fund, and shall promptly provide copies thereof to the Fund	Complied with	
General Conditions for agricultural Financing, (as amended September 2010), Section 9.01	<i>Financial Records.</i> The Project parties shall maintain separate accounts and records in accordance with consistently maintained accounting practices adequate to reflect the operations, resources and expenditures related to the Project until the Financing Closing Date, and shall retain such accounts and records for at least ten (10) years thereafter.	Complied with	
General Conditions for agricultural Financing, (as amended September 2010), Section 9.02	<i>Financial Statements</i> The Borrower/Recipient shall deliver to the Fund detailed financial statements of the operations, resources and expenditures related to the Programme for each Fiscal Year prepared in accordance with standards and procedures acceptable to the Fund and deliver such financial statements to the Fund within four (4) months of the end of each Fiscal year.	Complied with	
General Conditions for agricultural Financing, (as amended September 2010), Section 9.03	<i>Audit of Accounts.</i> The Borrower/Recipient shall: a) Each Fiscal Year, have the accounts related to the Project audited in accordance with auditing standards acceptable to the Fund and the Fund's Guidelines on Project Audits (for Borrower's Use) by independent auditor acceptable to the Fund; b) Within six (6) months of the end of each Fiscal Year, furnish to the Fund a certified copy of the audit report. The Borrower/Recipient shall submit to the Fund the reply to the management letter of the auditors within one month of receipt thereof; c) If the Borrower/Recipient does not timely furnish any required audit report in satisfactory form and the Fund determines that the Borrower/Recipient is unlikely to do so within a reasonable period, the Fund may engage independent auditors of its choice to audit the accounts related to the project. The Fund may finance the cost of such audit by withdrawal from Loan and or Grant Accounts.	Complied with	

Appendix 7: Knowledge management: Learning and Innovation

Learning

Previous learnings on viability and social capital from Revolving Fund groups are largely supported by field visits during the supervision mission. Two studies have been undertaken by IFAD as a comparative analysis and assessment of asset building grants, indicating important benefits from the PADEE approach for specific segments of rural farmers.

The regular banking days support by Mobile Field Agents and Community Extension Workers have strengthened the capabilities of these groups. Their continued cohesiveness and apparent sustainability suggests that social capital has been tangibly increased; and financial capital improved. A second learning is that the attempt at implementing Community Learning Centers has been costly; and apparently supply-driven. The CLCs do not seem to have offered viable long-term knowledge sharing and learning avenues for farmers. There is limited investigation regarding the comparative performance of CEWs, MSTs and PDAs; nor on the efficacy of different trainings. Though there have been a good effort to measure adoption rates by CIGs, the sampling methodology raises some doubts about the robustness of findings.

A new website has been established: www.padee.org

Innovation: Describe any interesting innovation noted during supervision

There have been important learnings from the work contracted out to different implementing partners. In the case of SNV and iDE, there is not yet adequate maturity nor convincing evidence regarding the viability of the value chain and the input supplier models, due to short lifetime of these instruments relative to the long-term desired outcomes. The revolving funds groups supported by FAO, on the other hand, show marked maturity and likely sustainability. Their success seems to have been founded on adequate financial training and record keeping, and appropriate terms (balloon loans) for repayment that meet the needs and capacities of the group members. One remaining question however is the extent to which the revolving fund groups have been successful in including poorer households with viable economic opportunities.

The development of the MIS and the use of tablets by CEWs for monitoring has been a relative success and continues to improve. This comes at a late stage for guiding project management but is likely to lead to an effective system in other IFAD and MAFF projects.

Appendix 8: List of Documents to File on (APR xdesk), including detailed working papers.

A dropbox was setup during the mission to collect all important document. The dropbox content is then uploaded to Xdesk at the end of the mission, inclusive Annex 1: The "F2F" Good Practice Competition.