

Pakistan

Southern Punjab Poverty Alleviation Project Supervision Report

Mission Dates: 20 January to 3 February 2021

Document Date: 26/02/2021

Project No. 1100001514

Report No. 5684-PK

Asia and the Pacific Division
Programme Management Department

Abbreviations and Acronyms

AF	Additional Financing
APFP	Asian Pacific Farmers Programme
ARISE	Assuring Resilience of family farmers
AWPB	Annual Work Plan& Budget
BDO	Business Development Officer
BISP	Benazir Income Support programme
BZU	Bahauddin Zakariya University
CDD	Community Driven Development
COs	Community Organizations
CPI	Community Productive Infrastructure
DMUs	District Management Units
EAD	Economic Affairs Division
EHSAAS	National Government Poverty Graduation Programme
ESMF	Environment and Social Management Framework
ESR	Evaluation Synthesis Report
ETO	Entrepreneurship Training Organization
FFS	Farmers Field School
FO4A	Farmer Organization 4 Asia
FVA	Female Veterinary Assistants
GoP	Government of Pakistan
GoPb	Government of the Punjab
HHs	Households
IFAD	International Fund for Agricultural Development
IFC	International Financial Corporation
IRM	Institute of Rural Management
LAMP	Livestock Access to Market Project
LSOs	Local Support Organizations
M&ES	Monitoring & Evaluation System
MIS	Management Information System
NADRA	National Database and Registration Authority
NARC	National Agriculture Research Institute
NIA	National Implementing Agency
NOC	No Objection Certificate
NPGP	National Poverty Graduation Project
NRSP	National Rural Support Programme
PAD	Precision Agriculture for Development
PC-I	Planning Commission Proforma 1
PPAF	Pakistan Poverty Alleviation Fund
PSC	Project Steering Committee
P&D	Planning & Development

PBAS	Performance Based Allocation System
PD	Project Director
PDR	Project Design Report
PEI	Productivity Enhancement Initiatives
PITB	Punjab Information Technology Board
PMU	Project Management Unit,
PSC	Poverty Score Card
SHU	Secure Housing Unit
SPPAP	Southern Punjab Poverty Alleviation Project
TEVTA	Technical Education and Vocational Training Authority
TOR's	Terms of Reference
UCs	Union Councils
UVAS	University of Veterinary and Animal Sciences
VOs	Village Organizations
VTO	Vocational Training Organization
WA	Withdrawal Application

A. Project Overview

Region:	Asia and the Pacific Division	Project at Risk Status:	Not at risk
Country:	Pakistan	Environmental and Social Category:	B
Project Name:	Southern Punjab Poverty Alleviation Project	Climate Risk Classification:	2 - Medium
Project ID:	1100001514	Executing Institution:	Punjab Planning and Development Department
Project Type:	Rural Development	Implementing Institutions:	not available yet
CPM:	Hubert Boirard		
Project Director:	Muhammad Saghir		
Project Area:	Districts of Bahawalpur, Bahawalnagar, Muzaffargarh, Rajanpur, Rahim Yar Khan and Dera Ghazi Khan (DG Khan)		

Approval Date:	15/12/2010	Last audit receipt:	04/01/2021
Signing Date:	30/09/2011	Date of Last SIS Mission:	03/02/2021
Entry into Force Date:	30/09/2011	Number of SIS Missions:	15
Available for Disbursement Date:	30/09/2011	Number of extensions:	3
First Disbursement Date:	20/09/2013	Effectiveness lag:	9 months
MTR Date:	07/01/2015		
Original Completion Date:	30/09/2016		
Current Completion Date:	30/09/2022		
Financial Closure:	not available yet		

Project total financing

IFAD Financing breakdown	IFAD	\$25,000,000
	IFAD	\$36,500,000
	Asia and the Pacific Division	\$2,900,000
	IFAD	\$10,000,000
	IFAD	\$30,169,000
Domestic Financing breakdown	National Government	\$76,200,000
	Beneficiaries	\$5,400,000
	Beneficiaries	\$3,321,000
	National Government	\$5,630,000
Co-financing breakdown,		
Project total financing:		\$195,120,000

Current Mission

Mission Dates:	20 January to 3 February 2021
Days in the field:	8

Mission composition: Hubert Boirard, IFAD Country Director and Mission Leader; Fida Muhammad, IFAD Country Programme Officer/CO-Mission Leader; Tom Anyonge, IFAD Project Technical Lead; Arsalan Vardag, Financial Management Specialist/Consultant; Ilaria Firmian, IFAD Knowledge Management Officer; Maida Zafar, Institutional Development and Financial Inclusion Specialist/Consultant; Sumaira, Knowledge Management Specialist/Consultant; Martina Huonder, IFAD Programme Liaison Associate; M. Waseem Shahzad, Procurement Specialist/Consultant.

Field sites visited: Union Councils Sukhail, Hateji, Ali Kharak (Bahawalpur), Union Councils Malik Pura, Rohjan Wali, Laleka, (Bahawalnagar), Union Councils Sarishta Thal Jandi (Layyah), Union Councils Sabzani, Umer Kot (Rajanpur), Union Councils Jan Pur (Rahimyar Khan), Union Council Belay Wala (Muzafargarh), and Union Council Nari Shumali (DG Khan)

B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		4.73	Assessment of the Overall Implementation Performance		4.5

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

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

Relevance	5
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C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

The South Punjab Poverty Alleviation Project (SPPAP) assists the Government of Punjab to achieve its economic growth and poverty alleviation objectives. The overall goal of the project is to contribute to the reduction of poverty in Southern Punjab area. The cumulative project objective is to increase incomes of 232,450 poor households (benefitting around 1.7 million people) by enhancing the employment potential of the people and increasing agriculture productivity and production. The principal outcomes expected from the project include enhanced capacity for sustainable livelihoods through asset transfers, promoting employment and productive self-employment, improved access to basic services, increased productivity and production of agriculture produce and strengthened local capacity for agriculture and livestock service provision. The project is organized along three components: (i) Livelihoods Enhancement; (ii) Agriculture and Livestock Development; and (iii) Project Management.

IFAD's Executive Board approved SPPAP on 15 December 2010 and the IFAD loan became effective on 30 September 2011 upon signing of the Financing Agreement. SPPAP was originally due for completion by 30 September 2016. In view of the excellent performance of the Project since MTR, an additional financing of USD 25 million was approved by IFAD's EB in September 2017, expanding the project coverage from four to six districts and an extension of the completion date to September 2020. Due to continuing positive progress and visible impact, another additional IFAD financing of US\$ 39.4 million, including a US\$ 2.9 million grant, was approved by IFAD's Executive Board on 13 Sep 2018 which expanded the coverage to a total of 10 districts. This additional financing has become effective on 12 Feb 2020.

The current SPPAP supervision mission took place from 21 January to 3 February 2021 with the objectives to: (i) assess the progress made, (ii) identify the bottlenecks and current issues, (iii) review the fiduciary aspects and (iv) propose corrective measures.

The Mission randomly visited 8 Union Councils in 7 districts and met representatives of around 40 community organizations covering the beneficiary communities and the direct beneficiaries from all SPPAP phases. The mission held extensive meetings with the COs, VOs, LSOs and beneficiaries of various project interventions including Secure Housing Units, Small Ruminants, Community Revolving Funds, Vocational Training Organization (VTO) and Entrepreneurial Training Organization (ETO), Community Physical infrastructures, and Food Banks. Specific meetings were also organized with NRSP and the NRSP Bank on the Revolving Fund management as well as with the 0-11 beneficiaries on how to consolidate and upscale the income generating activities for this target group. A pre-wrap-up meeting was held with the PMU, NRSP and IRM in Bahawalpur on 29 January 2021 to discuss the Mission's main findings and recommendations. The provincial Wrap-up meeting was held in Lahore with the Planning and Development Department on 2 February 2021 and the final wrap up was organized at federal level with EAD on 3 February 2021.

The mission expresses its appreciation to the Government of Pakistan, Government of the Punjab, PMU - SPPAP, NRSP, IRM and LSOs and community organizations for their cooperation and excellent arrangements and the facilitation extended to the Mission.

Key Mission Agreements and Conclusions

The main key mission agreements and conclusions are the following:

For the Government of Punjab and Pakistan:

- **To request a 1 year no cost extension** - the project completion date to be modified from September 2022 to September 2023. This extension would allow to better capitalize and consolidate all SPPAP outputs and eventually to study / request a possible new phase.
- **To expedite the staff recruitment** for the 4 new districts (33 positions)
- **To increase by 4% in current USD terms the cost of the Small Unit House** which will become 709,513 PKR or USD 4435
- **To allow SPPAP to intervene in NPGP Union Councils of Layyah Tehsil** only for the implementation of Low Cost Housing and CPI component.
- **To approach the State Bank of Pakistan for special exemption for SPPAP COs bank accounts** (SPPAP COs joint bank accounts may be declared as limited mandate accounts which may be used only for SPPAP funds).

For the SPPAP PMU team:

- **To update the SPPAP impact assessment study** (done in 2017-2018) by September 2021
- To initiate for the 2016-2017 HHs beneficiaries, a **qualitative and quantitative impact assessment aligned with the 2030 SDG objectives**.
- **To capitalize and develop Knowledge Management products** (technical referential, video, story cases, etc) especially on the Housing and VTO/ETO approaches that could be used by the GoP, the GoPu and IFAD for dissemination, communication and potential SPPAP / activities upscaling.
- **To pilot a post VTO/ETO business model** aiming at (i) organizing a group of 0-23 PSC professionals (VTO/ETO

beneficiaries only) to respond to the market demand, and (ii) ensuring minimum 20 000 PKR/month to each members. (concept note to be submitted to IFAD for NOC and a proposal for few pilots to be initiated by April 2021)

- **To strengthen the partnership with IFAD funded regional Farmer Organizations grants** (Asian Pacific Farmer Programme, FO4Asia and ARISE) and E-extension activity implemented by Precision Agriculture for Development (PAD) - initiate a joint pilot on economic services development for farmers and policy advocacy paper (concept note to be submitted to IFAD for NOC) and using PAD investment for provision of customised advisory.
- **To review the Revolving Fund modalities** in order to (i) increase the efficiency of the loan allocation procedure and (ii) ensure full disbursement of the RF to the beneficiaries by 1st of March 2021.
- **To undertake a feasibility study and business plan for food bank**- explore sustainable options for the food bank – community modality vs social enterprise and develop business plan by end 30th September 2021.
- **To close by end of 2021 the three initial SPPAP financings**

D. Overview and Project Progress

The overall project progress is rated as “Satisfactory (5) under the three previous financing instruments.

The cumulative SPPAP achievement as of today is: (i) Provision of Small Ruminants (2 goat package) to 74068 beneficiaries (100% women having BISP PSC 0-18), (ii) Provision of 3487 small land plots and construction of 3266 low cost houses (100% women having BISP PSC 0-11), (iii) Vocational & Enterprise trainings provided to 25807 & 9081 beneficiaries respectively (60% women with special focus on youth having BISP PSC 0-23), (iv) Construction of 1517 Small Scale Demand Driven Infrastructure Schemes including lining of watercourse of 42 KM, 174 KM Road improvement, construction of 12,106 household toilets, installation of 926 hand pumps for poor families, (v) Food bank facility provided to 8181 poor families on revolving basis (89% women having BISP PSC 0-18), (vi) 14,666 small loan provided to poor/small farmers on reduced rate (@ 15%) for agriculture inputs (65% Women having BISP PSC 0-23), (vii) Productivity Enhancement Initiative packages provided to 10 057 small holder farmers (43% Women), (viii) Modern Agriculture Equipment's provided to 375 Community Service Providers and (ix) Para vets training facility extended for 200 beneficiaries (45% Women having BISP PSC 0-23).

Component 1: Livelihood Enhancement

Component 1 has maintained good progress both qualitatively and quantitatively and is rated as “Satisfactory (5).

1.1. **Small Ruminants:** The progress under the sub-component is rated “Satisfactory” (5). The activity has played a significant role in having an immediate impact on women beneficiaries in the PSC category (0-18). The mission has observed that beneficiaries who received 2 goats (PKR 25000 package) during 2016 have been able to achieve significant growth in herd-size due to good breeding rate (2 birth cycles per animal per annum with an average of 2 offspring per cycle). Livestock rearing has turned out to be a profitable activity for beneficiaries who have sold the goats in market and have earned periodic income (PKR 20,000 to 25,000 for 10 kg goat and PKR 40,000 to 50,000 for 20 kg goat). Beneficiaries reported utilizing the sale proceeds for meeting education expense of their children as well as saving for future household needs (marriage, health). The mission has also observed that livestock rearing offers an opportunity to further organize CO members under the platform of farmer organizations to allow them to benefit from economies of scale on purchase of inputs as well as linkage to private sector's supply chain through meat fattening. In some cases, a herd-size of 25 has been achieved where beneficiaries have retained all offspring. This demonstrates the farmers' capacity to rear more goats and benefit from the FO model. SPPAP has 100% target achievement under the original (35,500 poor women) and the second AF target (24,000 women) while target achievement under the third AF is 26% (13,248 out of 50,000).

1.2. **Small Land Plots/Housing:** The progress under the sub-component is rated “Satisfactory” (5). SHUs have created multi-dimensional impact on targeted households in the PSC 0-11 category as observed by the mission. Targeted households have reported that now they are in a better position to negotiate and demand fair compensation for their labour as they are no longer obligated to provide services to their landlords at a lower wage rate. Beneficiaries reported earning on an average PKR 18000 to 20000 through a range of diversified income sources during the first year of moving into their house. Prior to the interventions, their income level averaged around PKR 10000 to 12000 per month. Beneficiaries have now prioritized the education of their children and earning a living in a more respectable manner as their basic needs are being catered (a functional house having a latrine, uninterrupted electricity and running water) and have taken full advantage of the open area allocated in the plot size. Beneficiaries have undertaken livestock and poultry rearing, kitchen gardening and fruit tree plantation for domestic use. In some cases, they have started their own shops in one room of the house leading to monthly income without any rental expense. Considering the diversified sources of income of SHU beneficiaries, a conclusion can be drawn that beneficiaries who received SHUs in 2016 have realized a significant positive change in their income levels and have graduated out of the poverty band (0-23) as they now own TV, fridge, home appliances, livestock, small shops. The project has 100% achievement of original (1600 SHU and plots) and the second AF (1232 SHU and plots) targets while the progress of land plot and houses stands at 18% and 14% against the third AF. The mission recommends an impact assessment study to be undertaken to thoroughly evaluate the quantitative and qualitative impact of SHUs and other interventions on beneficiaries. Slow land mutation process appears

to cause delays in physical progress of house construction for which P&D may engage with the Land Revenue Department to expedite the process. The mission also recommends upward revision of housing cost by 4% to account for the rising cost of material.

1.3. Vocational and Entrepreneurial Training: The progress under the sub-component is rated “Satisfactory” (5). The mission has observed promising income generation potential for the targeted beneficiaries i.e. youth and women from the PSC 0-23 households through transfer of skills for salaried or self-employment. Women beneficiaries have reported earning up to PKR 10,000 per month by offering dress designing and beautician services within the first year of receiving training. Women particularly expressed their comfort of being able to earn an income in a dignified manner within safe boundaries of their home and tending to their household needs. The mission observed that women have the willingness to work in groups and in some cases they have already self-organized in groups and developed linkages with local shops who are willing to place orders for dress designing. However, this can be worked out more strategically through IRM’s support by defining terms of contract with potential organizations. Youth beneficiaries of trainings (motorcycle and mobile phone repair, managing general store, driving) have also reported earning at least PKR 15000 within the first year of their training with income level steadily increasing to PKR 25000 to 30000 in subsequent years. Prior to the interventions, youth beneficiaries did not have any source of income. The mission has observed that start-up capital and market linkage will help in the upscaling of these activities at individual level. All beneficiaries of ETO/VTO trainings expressed the need for access to working capital and reported that by availing PKR 50,000 loan they will be able to generate incremental income of PKR 15000 per month. The mission has recommended that ETO/VTO beneficiaries trained in 2021 be given priority for business plan development under IRMs supports for market linkage and access to start-up capital through NRSP/NRSP Bank. The mission also notes that coaching mechanism for trainees by linking them with trainers post training completion is in place which needs to be formalised. The Project has achieved 100% of its target for ETO and VTO training under original financing (VTO: 14,555 and ETO: 4081) which included 50% women & 69% youth. Under the second AF, the project has so far provided vocational training to 10,812 beneficiaries (target 15,000) and enterprise training to 4,811 (target 5000) beneficiaries. The identification of trainees has been initiated amidst Covid-19 for the third additional finance (US\$39 million).

1.4. Community Physical Infrastructure: The progress under the sub-component is rated “Satisfactory” (5). CPI schemes (drinking water supply, household toilets, street pavements, solar power and irrigation) have enhanced living conditions, health and education status and productivity of community members. The mission observed that construction of roads under SPPAP’s intervention in Rajanpur (UC Rohjan) has improved the income level of targeted community by enabling them to transport their produce to government food department and securing an incremental increase of PKR 400/40 kg wheat bag as compared to middleman’s rate. The community also reported 50% increase in school enrolment as travel time has reduced from 60 minutes to 5 minutes on a motorbike. Similarly, availability of ambulance service on door-step has given the community peace of mind in case of health emergency as prior to the construction of road it took considerably longer time (60 minutes) to reach the nearest hospital. SPPAP has 100% target achievement under the original and second AF (1426 schemes). The project has so far completed 43 schemes against a target of 752 schemes under the third AF. The mission recommends inclusion of CPI schemes in the overall impact assessment for evaluation and analysis of quantitative and qualitative aspects of CPI schemes.

Component 2: Agriculture and Livestock Development

Despite the unprecedented challenges posed by COVID19, progress under component has been “Satisfactory” (5). Post-MTR reorientation of the component has worked well and both pilots i.e. Revolving Fund for Agriculture Supplies and Food Banks are functional and have resulted in significant changes in the lives and livelihoods of beneficiaries. Expansion to additional districts under the third additional finance has progressed well.

2.1. Institutional Strengthening for CDD: The progress under the sub-component is rated “Satisfactory” (5). SPPAP’s intervention related to institutional strengthening is primarily linked to social mobilization. The target includes the formation of 10,098 community organisation (the first tier of institutions). A total of 121,434 households have been organised of which 86% are women. The COs formed provide the necessary conduit for community led identification of needs, implementation and monitoring of project interventions.

The COs have further been organised into VOs (744) which at a Union Council level are facilitated through 69 Local Support Organisation (LSOs). Today the social organisation under SPPAP represent about 49% of all the target households (PSC 0-23) in the union councils.

2.2. Food Security and Nutrition Sensitive Initiative: The progress under the sub-component is rated “Satisfactory” (5). Food Banks were established on a pilot basis in one Union council each, in 4 districts, to assist ultra-poor families cope with 2 to 3-month hunger period immediately before the wheat harvest. One household can borrow up to 150 Kg wheat (equivalent of 1 month’s need of a typical household.) from the Food Bank which has to be returned to the bank with a 10% addition. The Project has established 10 food banks. The recovery rate so far has been 95%. Additional 30 food banks are being established under the third AF (US\$39 million).

The food bank is relevant to the needs of the extreme poor households who experience 3-5 months of hunger season. On average, a household is 70%-80% food secure in a typical year in terms of the annual need for staple food (wheat). In such a situation, the food banks are an option consistently used by households with more demand than it can meet. The

following characterises the current situation with respect to learning from pilot food banks;

- The current model allows for delivery of wheat and collection once a year. There is need to align food bank well to the needs of the households. Hunger/shortage of staples for majority households benefiting from food bank is a recurring phenomenon.
- There is a need to put in place an appropriate organisation and management framework for food banks. There is also need of identifying allied services such as grinding and mechanism to accept other in kind recovery if households do not have wheat grains to return. A feasibility study is needed.

2.3. Institutional Services and Capacity Building: Community Service Providers. The progress under the sub-component is rated "Satisfactory" (5). The total target of community service providers (368) was achieved under the original financing and the service providers continue to operate satisfactorily providing services on concessional rates. In total, 375 service providers have directly benefited from the project intervention whereas the benefit from each service provider extends to 30 – 50 poor households annually.

Productivity Enhancement Initiatives (PEIs): Grants were provided to smallholder farmers which included provision of certified seed, fertilizers, gypsum treatment, as well as a package of support to facilitate kitchen gardening. The project reached out to 10,057 beneficiaries. The intervention was discontinued post-MTR (?).

Para Vet Training: The project has already provided training to 200 men/women as Para Vet through Bahauddin Zakria University (BZU), Multan. The trained para-vets have been providing useful services to the recipients of the goat package as well as generally to livestock farmers.

Revolving Fund For Agriculture Input Supplies To enable the poorest farmers (PSC between 0-32) to access finance, a category who otherwise has no access to formal financial services. The Project established a pilot revolving fund with the NRSP Bank and NRSP to provide credit to smallholder farmers for agriculture inputs at 15% interest rate. The Project has so far provided a facility extending 14,666 loans with an average loan size of Rs 25,000. The recovery rate over the last 4 years is more than 99%. The credit facility is open to agriculture and non-farm trades as well as start-up/working capital for the project assisted beneficiaries (vocational and entrepreneurship training). During the current year about 2,111 beneficiaries availed loans from the revolving fund of which 978 have been provided by NRSP Bank and the remaining by NRSP. To mitigate the impact of COVID19, State Bank of Pakistan announced deferment option of loans, which was availed by 971 borrowers of NRSP Bank in aggregated deferred amount being Rs. 37.446 million.

Until December 2020, the fund has revolved and has completed 8 cycles each under the NRSP Bank and NRSP arrangement. The following is the summary of the revolving form under the two options;

Revolving Fund Managed by NRSP Bank During the initial pilot a sum of Rs. 24 million was provided to NRSP Bank to pilot revolving fund. Moreover Rs. 125.22 million was provided under the recent additional finance. The total portfolio amounts to Rs. 127.318 million which has to-date revolved up to Rs. 217.45 million having benefited 7,930 households. Of these 3,567 (45%) borrowers are unique while 7,607 (96%) have been women.

Revolving Fund Managed by NRSP Org The agreement was signed in early 2016 for a total amount of Rs. 16 million to be revolved. An additional amount of 117.25 was provided in the last quarter of 2020 to expand the coverage. After about 8 cycles of the first line and additional sum provided, the total portfolio is Rs. 117.764 million. The total revolved capital amounts to Rs. 167.22 million benefiting 6,489. Following are some of the areas identified which warrant attention.

- The NRSP social organisation staff shall follow a more structured approach for popularizing revolving fund among COs and pre-identify potential buyers.
- A documented eligibility criterion and features of the revolving fund shall be made available with the social organisation staff.
- The procedural formalities need to be improved in terms of time lag between application and loan approval (reduce from 1 month to 7 days on average).
- It is recommended that only loan of 6 months or less duration shall be encouraged and a maximum of 2 cycles of loans for same borrower instead of 4 cycles.
- Monthly portfolio review of the revolving fund to be undertaken by the PMU to identify any emerging issue and to monitor progress in terms of deployment of revolving fund and portfolio health.
- Monitoring by NRSP Bank and NRSP Org the impact of the revolving fund and to study the cash flow of the borrowers to determine need.
- Work with IRM and NRSP social organisation staff to determine the need of start-up capital for the trainees of ETO/VTO who aspire to opt for self-employment/entrepreneurship.

Component 3: Project Management.

Project Management is rated satisfactory (5). The PMU is supported by NRSP (including NRSP Bank) and IRM as implementing partners. Recruitment which was initiated last year was delayed but received a final approval by Government of Punjab by the time this supervision mission was concluded. Project monitoring, reporting and coordination functions continue to operate in a satisfactory manner. The Project Steering Committee meets as required, takes decisions on emerging issues and provides strategic advice to project management. A regular feature of the SPPAP is the

monthly progress review by the Planning and Development Board which shows ownership and commitment of the Government of Punjab to this flagship project.

The PMU needs to update the SPPAP the impact assessment and to assess the contribution to SDG objectives; develop knowledge products to enable policy insights; and engage with other development partners in the project areas and IFAD funded grant assisted activities.

Agreed Action	Responsibility	Agreed Date
<p>Increase cost for SHU</p> <p>Increase by 4% in current USD terms the cost of the SHU which will become 709,513 PKR or USD 4435</p>	PMU, P&D	03/2021
<p>ETO/VTO beneficiaries' access to credit fund</p> <p>Establish necessary protocols and guidelines to ensure ETO/VTO beneficiaries' access "upto 2 start-up loan" of 1 year duration backed by a IRM attested business plan</p>	PMU, NRSP, IRM	03/2021
<p>Backstopping Mechanism for ETO/VTO Beneficiaries</p> <p>Develop and formalize a mechanism to provide continued support and backstopping to ETO/VTO beneficiaries by linking trainer with trainees post training completion</p>	NRSP, IRM	03/2021
<p>Review the Revolving Fund modalities</p> <p>Achieve: (i) increased efficiency of the loan application to approval time (reduce time lag by 50%); and, (ii) ensure full disbursement of the RF to the beneficiaries by 1st of March 2021</p>	PMU/NRSP/NRSP Bank	03/2021
<p>Undertake a feasibility study and business plan for food bank</p> <p>Explore sustainable options for the food bank – community managed social enterprise or any other feasible option and develop business plan by end 30th September 2021</p>	NRSP	09/2021
<p>Raise awareness on eligibility criteria for revolving fund through NRSP social organization staff</p> <p>Develop Information Communication and Training (ICT) material on revolving fund's terms and eligibility, financial literacy and business planning of borrowers.</p>	NRSP, IRM	
<p>NRSP social organization staff provides complete data of potential borrowers to NRSP Bank & NRSP Micro-finance unit</p> <p>The list of pre-identified potential borrowers are provided well in time for seasonal finance needs and on a regular basis for non-farm borrowers.</p>	NRSP	
<p>Monthly portfolio review of the revolving fund</p> <p>The review shall include in addition to physical progress, key performance indicators and portfolio health and deployment status.</p>	NRSP	
<p>Undertake assessments of the impact of revolving fund</p> <p>Design a study to assess the impact of revolving fund and the cash flow of different types of borrowers to determine the cash flow needs.</p>	NRSP	

E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus

Effectiveness	Rating: 5	Previous rating: 5
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Justification of rating

Rated Satisfactory. SPPAP interventions have demonstrated their effectiveness by addressing the socio-economic needs of the targeted ultra-poor and poor rural families through a combination of interventions in the form of housing, livestock assets, skill and enterprise development as well as essential community infrastructure. The mission has observed that SPPAP activities are highly impactful in terms of productivity and livelihoods improvement as the majority of beneficiaries (particularly those targeted during 2016) have doubled their income level, increased assets, improved education level and social recognition. Owing to the visible impact of SPPAP on poverty graduation and the mature stage of the project, there is a strong need to conduct an impact assessment of project outcomes.

Log-Frame Analysis & Main Issues of Effectiveness

The log frame has been updated with revised targets to reflect household coverage and interventions under the third AF and also includes the previously added targets approved under the second AF. The basis of log frame reporting is annual i.e. one calendar year starting from January through December. The project's present monthly disbursement rate is around US\$ 1.1 Million whereas the required disbursement rate to achieve the financial targets is US\$ 1.7 Million (without extension).

Progress against log frame outputs and outcomes remains robust and satisfactory. The Project has exceeded the targets for beneficiary households (45,151 against target of 30,800) and the cumulative achievement of 180,831 against end project target of 232,450 signifying 78% achievement. The project has reached 1,232,037 household members (cumulative level) against an end project target of 1,627,150 (76% achievement) and has exceeded its yearly target by achieving an outreach to 302,512 household members against a target of 206,360. At an individual level, the project has reached 1,232,037 beneficiaries (cumulative) with 51% female beneficiaries and 30% youth beneficiaries.

Progress against Outcome 1 "Improved Living conditions and income generation" is very good with 72,748 women provided with a goat package (cumulative target 109,500), and 3,206 homeless and landless ultra-poor women are provided with a secure housing unit (cumulative target 5,882). The project has exceeded its yearly target for 2020 by providing SHUs to 857 landless women against a target of 1,070. On enterprise and vocational training front, 20,697 women (61% end target achievement) and 17,546 youth (120% end target achievement) have received enterprise and vocational training. However, during the window of 2020 a total of 5,233 females out of 6,825 have received enterprise and vocational training whereas 147 youth beneficiaries have been provided training out of 2,925. The slow progress of ETO and VTO trainings is attributed to lack of social gatherings and social distancing measures in the wake of covid-19.

For Outcome 2: "Strengthened, more inclusive Community Organizations (COs) providing improved services to their members; and improved access to essential community infrastructure in poor communities", the output and outcome progress has been on track. 7,540 COs have been organized (86% women) against the target of 13,098. 1,468 community identified infrastructure schemes have been completed (target 2,178) improving access to essential services.

Targets under Outcome 3 includes the establishment of 34 Food Banks and Revolving Credit Funds for 0-23 beneficiaries. 13 Food Banks have been established so far while 14,666 loans have been extended thus far against project end target of 24,200. As for Outcome 4 "Strengthened local Capacity for Agriculture and Livestock Services", targets for Paravet workers (200 against 200) and Community Service Providers (375 against 868) have been achieved.

Outcome 5 "Strengthened Advocacy and Dissemination between BISP and Punjab Government" requires a knowledge management strategy to document and disseminate the results produced during the course of the project for engagement with key decision makers.

Development Focus

Targeting and Outreach	Rating: 5	Previous rating: 5
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Justification of rating

Rated Satisfactory. The project is following a rigorous three-tiered approach for beneficiary targeting in 10 districts of Punjab with lowest social and economic attainment and highest poverty incidence. The use of the PSC, a unique tool used in all IFAD-assisted projects in Pakistan, is at the basis of beneficiaries' targeting. To date, the project has reached out to approx. 181'000 poor households. In addition to geographical and PSC based targeting, SPPAP has deployed a targeting strategy to steer vulnerable segment towards income generating activities as evident from convincing uptake in ETO/VTO

trainings (60% women), revolving fund (65% women), food bank (89% women). Similarly, youth targeting enables transfer of income generating skills to youth (40% uptake in ETO/VTO trainings).

Main issues

While the three-tiered approach has proven to be effective for poverty targeting and has been utilized to identify beneficiaries in the newly added districts, the mission has observed that a formal mechanism does not exist to formally include HHs that have either not been captured in the original PSC survey or have fallen back into the poverty bands. Currently, the project is unable to address inclusion of households into the PSC database due to lack of procedure, while the same are being included as beneficiaries of the project. Regarding exclusion of beneficiaries from project intervention, the social mobilization team follows the community validation process and is therefore able to eliminate ineligible households from SPPAP interventions that do not meet the targeting criteria; however, excluded households continue to exist in the original PSC database. The mission recommends the development of a policy to update the national PSC database as and when inclusion and exclusion cases are detected by the social mobilization team. However, at Punjab level, a Punjab Social Protection Authority exists and SPPAP shares its data and updates with said authority regularly.

Currently SPPAP is working also in 7 Union Councils in Layyah Tehsil (Layyah District) of which housing is feasible in 3 UCs only, due to vulnerability to floods. The IFAD-funded NPGP is also operational in Layyah. Under the NPGP, assets and vocation training are being provided to beneficiaries in selected UCs other than those covered by SPPAP. The Low Cost Housing and CPI initiatives are not part of the NPGP, therefore SPPAP shall seek complementarity with NPGP Union Councils of Layyah Tehsil, only for implementation of Low Cost Housing and CPI activities.

The revolving fund allows beneficiaries (PSC band 0-23) to obtain formal financing for the first time from formal financial institutions. The utilization of credit through revolving fund enables the unbanked segment to establish a credit history and banking relationship with the formal financial sector to obtain financial services. The mission has observed that the NRSP bank is soliciting revolving fund beneficiaries by contacting the head of COs as the list shared by NRSP social mobilization team does not include direct contact details of pre-identified CO members with a credit need. To make the client solicitation process more efficient, the mission recommends that a pre-assessment be conducted at CO level by social mobilization team to identify CO members who require access to revolving fund along with capturing complete contact details for onward sharing with NRSP bank.

The mission recommends to increase the outreach of revolving fund by rotating the revolving fund up to 2 times per beneficiary with a maximum loan duration of 6 months per loan cycle. The mission also recommends integrating and reporting classical financial indicators on a monthly basis to provide visibility on loan disbursement. Similarly, clear impact reporting protocols should be established and adopted to understand the impact of the revolving fund pilot on poverty graduation as well as potential for scaling up.

Agreed Action	Responsibility	Agreed Date
Revised poverty targeting approach in Layyah Establish partnership with NPGP to combine intervention in select UCs of Layyah	PMU	02/2021
Update PSC data Develop a formal mechanism i.e. Policy directive for inclusion and exclusion of households from original PSC database to fine-tune targeting strategy	PMU, P&D	03/2021

Gender equality & women's participation **Rating: 5** **Previous rating: 5**

Justification of rating

Rated Satisfactory. Gender mainstreaming is pursued, throughout the project. Women participation is ensured through dedicated selection criteria and culturally acceptable implementation arrangements. Women as member of community organisations play a leading role while women's empowerment and active role in decision making is quite evident. The Project has an effective Gender Action Plan, which is regularly updated and monitored, and avails of a full-time dedicated Gender Officer since 2014. Likewise, for the social mobilization the project has signed MOUs with service providers, who are gender and social inclusion focused. Over the years, the project management has been invited to present their work in different fora.

Main issues

SPPAP's Community Driven Development approach provides opportunities to both women and men to participate in

project interventions. Women participation features strongly (85% membership of all COs) and the majority are women only COs. Women beneficiaries have become economically active, empowered, with freedom of choice. The impact survey undertaken in May 2018 (?) demonstrated a remarkable impact on women's poverty status by registering changes in income, savings, and food security.

The secure housing/land plots remain most gender transformative innovation, fulfilling the basic need of permanent shelter for the rural homeless. The legal ownership and transfer of land titles to the women has strengthened their role in family decision making, boosted their identity, dignity, social security, empowerment, and emotional wellbeing. Similarly, goat packages provide economic benefits to women who rear and own these. The installation of household toilets and access to clean pumped water is leading to increased hygiene, reduction in open defecation related diseases and improved privacy and personal security for women. Access to electricity through solar panels enabled children to study, and women to have extended hours for economic activities. The table below reflects the gender dimension of project interventions:

Intervention	Overall Project Target	Male	Female	Cumulative Progress	Gender Wise Achievement %
<i>Small Ruminant (02 Goat Package)</i>	109,500	-	72,748	72,748	100 % Women
<i>Small Land Plot</i>	5,882	-	3,401	3,401	100 % Women
<i>Vocational Training Organization (VTO)</i>	3,9555	9,639	15728	25,367	62 % Women
<i>Enterprise Training Organization (ETO)</i>	9,081	3,735	5157	8,892	58 % Women
<i>Low Cost Housing</i>	5,882	-	3206	3,206	100 % Women
<i>Productivity Enhancement Initiatives (PEI)</i>	10,057	5,740	4,317	10,057	43 % Women
<i>Food Bank</i>	13,600	789	7,068	7,857	90 % Women
<i>Revolving Fund for Agriculture Input Supplies</i>	24,200	5,514	9,152	14,666	62% Women
<i>Para Vets Training</i>	200	111	89	200	45% Women
Total	217,957	25,528	120,866	146,394	83% Women

- In economic spheres the project activities have led to less fulltime income and self-employment opportunities vis-à-vis men counterparts. Considering cultural dimensions associated with it, the project may need to consider a gender integrated model. It is important to link women to financial services and to the market by organising COs into farmer cooperatives linked with IFAD farmer organization initiative.
- Women beneficiaries are more tuned to save rather invest, primarily to gather dowry. This is a social norm that consumes at times more than 80% of the annual income of poor households leaving behind no capital for investment. Under the prevailing situation the chances of economic growth remain suboptimal for women specific income generation activities. Hence social and behavioural change is necessary for economic growth.
- While the trainings are effectively building the beneficiaries' capacity they do not provide a sufficient push for productivity and income enhancement. Thus, it is needed to; (i) facilitate for post-training coaching; (iii) enrol skilled women on relevant platforms; (iv) assist in business planning; (v) link women groups to markets. Women shall also be provided access to credit from the revolving fund.
- Considering the transformational nature of the project interventions on women's empowerment, a specific behavioural change campaign shall be launched to raise awareness on nutrition, health, safety, social norms (dowry) etc.

Agreed Action	Responsibility	Agreed Date
Support Women Trainees in Business Development and Access to Finance as well as to Markets BDOs to assist every ETO/VTO participant, willing to start business, in business plan development and link to start-up/working capital, as well as to markets for bigger volumes and returns	NRSP, IRM	

Agricultural Productivity **Rating: 5** **Previous rating: 5**

Justification of rating

Rated Satisfactory. Agricultural productivity enhancement interventions relate to productivity enhancement initiatives, capacity building of paravets, community service providers and, more recently only, linked to irrigation infrastructure and revolving fund. The increase in productivity attributed to irrigation infrastructure is gauged between 20-25% by communities while beneficiaries of revolving fund estimate an increase in the range of 15-20%, primarily owing to the use of purchased and better quality inputs. The irrigation channels have resulted in diversification into high value crops (up to 10%) and increased area under cultivation (10-25 acres at the tail end). Documentation of the data on agricultural productivity have started but is not yet completed in the MIS.

Main issues

The current coverage of the revolving fund is 14,666 loans of which the majority are repeat loans. The unique loans are about less than 50% of the loan portfolio. Against the total outreach, so far only around 3% of the project beneficiaries have availed from a revolving fund loan. There is need to increase the outreach and therefore reduce the number of cycles per beneficiary, which is currently 4.

The benefits from irrigation infrastructure activity (construction of channels) can be amplified through a link to the revolving fund. Awareness of beneficiaries of irrigation infrastructure shall be raised on the revolving fund, its procedure and terms, so that benefit from agriculture can be maximized.

Agreed Action	Responsibility	Agreed Date
Enhanced outreach of revolving fund Raise awareness of all CO members including beneficiaries of irrigation infrastructure about revolving fund and other financial products available in the project areas including from other sources than SPPAP.	PMU/NRSP & NRSP Bank	03/2021
Documentation of results of revolving fund and irrigation infrastructure and integration into MIS SPPAP through NRSP shall integrate data on indicators linked to productivity enhancement on an annual basis.	PMU/NRSP, NRSP Bank & IRMD	12/2021

Nutrition **Rating: 4** **Previous rating: 4**

Justification of rating

Rated Moderately Satisfactory. Project activities (small-ruminants, SHUs, ETO/VTO trainings, access to working capital) allow beneficiaries to improve their income level thereby increasing their inclination to include nutritious food into their diet. To cater food insecurity and to promote nutrition mainstreaming activities, the project has carried out a food bank pilot which is providing, on average, 150 kg of wheat, to the poorest households with PSC 0-18 during hunger season. The Project has encouraged beneficiaries of SHUs to undertake kitchen gardening and fruit-tree planting with 60% HHs now having a kitchen garden. The mission observed that the recipients of SHUs rear livestock and poultry for own consumption. Similarly, recipients of small-ruminants have also reported consuming goat milk at household level.

Main issues

While individual level efforts to overcome malnutrition are being undertaken by beneficiaries at household level, there is a strong need to develop a robust, scalable and institutionalized fall-back mechanism to prevent beneficiary households from starvation and ensure adequate supply of staple food during hunger period. Currently, the project has established 10 food banks out of which 6 have been operationalized. 1 food bank has the capacity to serve the needs of 400 beneficiaries per cycle by providing up to 150 kg of wheat grains against return of principal quantity and additional 10% grains. The

mission has observed that hunger season in project area lasts in between 4 to 6 months when households witness varied level of food insecurity depending on family size and yield from previous crop cycle. Therefore, food bank's current upper limit of up to 150kg wheat grain provision does not suffice the household food intake requirement. Additionally, the food banks remain dormant once the hunger period is over and are only activated on a need basis (once a year) to distribute and then recover the wheat grains on fixed dates. The mission recommends revision of food bank approach to make it more sustainable and aligned with the needs of the targeted households being served.

The mission also recommends mainstreaming the focus on nutrition dimension by conducting a dedicated assessment to establish a clear nutrition baseline of targeted households. This will allow the project to develop a more targeted and well-informed strategy to scale up nutrition sensitive interventions. (Ref to the sections on agricultural productivity and gender for action items).

The mission has observed that the current approach of both NRSP Bank and NRSP NGO under revolving fund for agriculture inputs allow 4 cycles of loan per beneficiary due to which the unique borrowers are less than 50%. The mission recommends expanding the outreach of revolving fund for agriculture inputs as it plays an important role in providing credit to beneficiaries in 0-23 band and thereby enabling them to undertake agriculture related activities for commercial as well as domestic consumption.

Agreed Action	Responsibility	Agreed Date
Nutrition baseline output and outcome Assessment Immediately establish a nutrition baseline for impact assessment and measure outputs and outcomes as per logframe indicator and definition	PMU	03/2021

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

Justification of rating

Rated Moderately Satisfactory. SPPAP activities for income generation are a mix of both on-farm and off-farm interventions that inherently diversify the income stream and reduce the vulnerability of targeted beneficiaries to any major climate change impact. Small-ruminants provided to beneficiaries are of local and adaptable resilient breed. Site selection for construction of SHUs is cognizant of the fact that flood areas are to be avoided. Similarly, to cater the impact of drought the project has already piloted the concept of food banks as increased temperature coupled with risk of floods can cause significant damage to the crops and shortfall in yield causing food insecurity. The project also finances a flexible menu of interventions (CPI schemes related to irrigation and water security) to enhance water security.

Main issues

While the project activities are cognizant of the risk posed by climate change and have been adapted to minimize impact on targeted beneficiaries, there is a need to conduct a systematic assessment of project interventions vis-à-vis climate change. Similarly, the CO members should be sensitized about potential risks posed by climate change so that they are able to make informed decisions while undertaking income generating activities that have the potential to be negatively impacted by climate change. The project has developed CPI schemes to improve quality and efficiency of irrigation, however there is a strong need to comprehend the quantitative and qualitative impact generated by these interventions and to determine their return on investment. The mission recommends systematic analysis of climate adaptation and its inclusion in the overall impact assessment study.

Agreed Action	Responsibility	Agreed Date
Include Climate Adaptation in planned Impact Study Assess the impact of interventions that help adaptation to climate change for project beneficiaries as part of planned impact assessment study	M&E, PMU	03/2021

b. Sustainability and Scaling up

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

Justification of rating

Rated Moderately Satisfactory. The project has reached a mature stage and is well-positioned to influence policy changes by developing policy briefs and showcasing the socio-economic empowerment attained by beneficiaries to government and other stakeholders. Outcomes created by SPPAP activities offer a wealth of information to inform program design and

delivery around the poverty graduation approach and project activities have gained significant traction over the past year. SPPAP has inspired the program design and execution strategy of other donors and SPPAP districts have been visited at both design and initial implementation stage by team of Punjab Human Capital Investment Project funded by World Bank.

Main issues

In terms of opportunities for policy engagement, SPPAP interventions coupled with poverty graduation approach offer significant potential for influencing the design and implementation of pro-poor programs. The mission observed that the socio-economic impact is very visible and pronounced in the majority of the cases where targeted communities received SHUs, small-ruminants and ETO/VTO trainings during 2016. Amongst overall SPAPP interventions, Secure Housing Unit is one that has attracted interest at various levels and could be the subject for a policy brief aiming at demonstrating that IFAD innovative approaches can be picked up by Government systems to replicate them with public spending budget.

While the PMU has developed a knowledge management strategy for effective engagement at institutional and policy level, field mobilization for data collection was halted in the past year due to travel restrictions and social distancing measures imposed by government in the wake of Covid-19. The mission has recommended and reinforced the importance of developing suitable knowledge products based on quantitative and qualitative analysis of impact generated. These knowledge products and lessons learnt can be leveraged at different levels for engagement of stakeholders and key decision makers through creation of fora and exchange platforms.

The mission recommends undertaking thematic studies (women empowerment, poverty graduation) for documentation of impact generated through project interventions and mapping of target audience at policy and strategic levels so that contextualized knowledge products can be developed and appropriate communication methods for each type of audience can be adopted. (see knowledge management section for action items).

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

Rated Satisfactory. The project implementation continues to function smoothly with support of implementing partners (NRSP, NRSP Bank, IRM and grassroots level organizations). Partnership with NRSP bank has enabled poor households to avail credit from formal financial institutions and establish a credit history for future consideration as a regular client. SPPAP has facilitated the linkage of beneficiaries to government funded Sehat Sahulat Program offered to under-privileged citizens for access to medical health. So far 958,648 beneficiaries have been enrolled in project districts whereas 10,000 SPPAP beneficiaries have already received their health card. Sehat Sahulat Program is being implemented in a phased manner and is expected to provide health coverage to all SPPAP beneficiaries.

Main issues

The mission has observed that the activity of asset transfer (small-ruminant provision) provides a significant opportunity for transformation into a viable and sustainable income stream for targeted beneficiaries through private sector engagement and partnership with complimenting initiatives under IFAD's country portfolio.

COs offer an entry point for clustering and organizing members where a significant percentage of CO members have received small-ruminants and are engaged in livestock rearing and fattening. Private sector linkage to farmer organizations can be instrumental in availing bulk discounts on purchase of inputs through economies of scale. Farmer Organizations also offer potential for linkage of farmers to the supply chain of private sector meat companies and thereby securing buyers and sustainable income stream. In view of the transformation of COs into farmer organizations, the mission has recommended a partnership between SPPAP and Asia Pacific Farmers' Programme (APFP) funded by IFAD. APFP is designed to target and reach farmers and rural producers, especially smallholder and vulnerable farmer/producers (and their households), through the medium/vehicle of their farmer organizations. The project aims to contribute to an enabling environment for rural poverty reduction, through support to rural smallholders and their organizations. The project specific objective is that farmer organizations are professionally capacitated to provide sustainable demand-driven services to their members and engage in effective policy dialogue for the improved livelihoods and incomes of smallholder farmers.

Both APFP and SPPAP present synergy and an opportunity to capitalize and transform the activity of asset transfer into a viable business model for COs and a sustainable income stream for CO members. In addition to APFP, IFAD has also designed and mobilized a grant to curb the impact of Covid-19 on income of family farmers through the provision of loans on concessional terms. The grant referred to as ARISE (Assuring Resiliency of Family Farmers) has been tied to APFP and can benefit the smallholder farmers targeted under SPPAP by providing access to credit.

On the poverty targeting front, PMU has assessed that newly added Layyah district offers a smaller base of beneficiaries falling in the 0-11 PSC band as compared to other districts; thereby, reducing the scope for activities targeted at lower band beneficiaries. In view of this constraint, the mission recommends that SPPAP and NPGP collaborate to overcome the poverty targeting constraint in select UCs of Layyah. (see poverty targeting section for related action item).

Agreed Action	Responsibility	Agreed Date
Establish partnership with APFP, ARISE, FO4A & PAD Establish partnership with APFP for developing synergy between both interventions and organizing COs into farmer organizations to scale up and transform the asset transfer activity into a viable business model	PMU	03/2021

Human and Social Capital and Empowerment

Rating: 5

Previous rating: 5

Justification of rating

Rated Satisfactory. SPPAP activities are inherently designed to bolster the development of social and human capital as well as empowerment of marginalized segment of the society. The poverty targeting approach works in conjunction with the package of tailored activities and improves livelihood and negotiation power through asset and skills creation and basic rural infrastructure development. Of particular importance is the gender targeting approach mainstreamed by the project. The project underpins government's rural development objectives i.e. improving quality of life of rural people by improving the rural economy (asset and skill transfer), enhancing agriculture productivity (revolving fund, CSP) and improving rural infrastructure (CPI schemes).

Main issues

SPPAP activities intended explicitly for income generation have been instrumental in providing a proof of concept for further upscaling at individual and enterprise level. However, the mission has observed that to realize full potential of these activities, it is key to improve market linkage and provide access to start-up loans. Without these two levers, further upscaling and sustainable graduation from poverty would not be possible. Almost all beneficiaries of ETO/VTO training met during the field mission have highlighted the need of start-up capital at the initial stage and working capital in the later stage. As of now, beneficiaries obtain credit from friends and family to start their business. The mission observed that within the first year of receiving training beneficiaries are able to earn up to PKR 10,000 through vocational trainings and up to PKR 15000 through enterprise trainings. However, further business expansion is inhibited due to lack of access to working capital. The mission has recommended that all beneficiaries of ETO/VTO trainings in 2021 should be linked with NRSP and NRSP bank for provision of start-up capital.

The mission has observed that there is significant potential to increase the income of beneficiaries of VTO training by organizing them into groups (small enterprises) and providing them market linkage. The mission has recommended that IRM assists all ETO/VTO beneficiaries in preparation of a business plan and identify avenues of linkage to private sector. (see section overview and project progress for action items).

The mission has also observed that livestock rearing has turned out to be a profitable activity for beneficiaries and offers an opportunity to further organize CO members under the platform of farmer organizations to allow them to aggregate the livestock, benefit from economies of scale on purchase of inputs as well as establish linkage to private sector's supply chain for meat fattening. In some cases, herd-size of 25 has been achieved where beneficiaries have retained all offspring. This demonstrates the farmers' capacity to rear more goats and benefit from FO model. The mission recommends partnership of SPPAP with APFP to design a pilot for informing the upscaling and sustainability strategy for small-ruminant intervention. (see section overview and project progress for action items).

Quality of Project Target Group Engagement and Feedback

Rating: 5

Previous rating: 5

Justification of rating

Rated Satisfactory. Community participation and validation have formed the basis for determining eligibility of beneficiaries under SPPAP. All interventions go through a rigorous vetting process which involves community members to establish and prioritize their needs (CPI through community development plans). The project involves beneficiaries throughout the site selection and construction phase of SHU enabling participatory approach. Similarly, small ruminant beneficiaries are included in the procurement process thereby increasing their sense of ownership. The community driven process provides a platform for marginalized voices to be heard and their needs to be expressed and addressed in a dignified manner.

Main issues

SPPAP interventions are being implemented through COs formed at grass root level. Since inception, 7646 COs have been formed out of which 76% COs are female, 20% mix and 4% are male COs. Moreover, 85% membership of the formed COs are comprised of women. The process of CO formation at grass root level allows feedback from beneficiaries throughout the project lifecycle. Moreover, the formation of women COs ensures that project activities are aligned with the needs and priorities of women. Keeping in mind the cultural context of the targeted districts under SPPAP, thematic areas identified under vocational training for women are sensitive to women's preference for undertaking income generating

activities that can be easily managed from home without disrupting their routine household responsibilities and work schedule. Similarly, community meetings are organized at a central location in order to manage any distance and proximity issues.

Despite carrying out all interventions through community driven approach, there is a strong need to undertake an impact assessment study in a systematic and formal manner that involves feedback from SPPAP beneficiaries. The mission recommends using survey questionnaire for gauging the response and feedback of beneficiaries targeted in 2016 and 2017 as it will allow direct input from beneficiaries engaged in project activities for a longer duration and enable deeper understanding of which activities have the power to pull beneficiaries out of poverty and which activities can be further fine-tuned to have the intended impact on poverty graduation.

Agreed Action	Responsibility	Agreed Date
Impact Assessment for SPPAP beneficiaries Initiate design of survey questionnaire to gauge feedback and submit to IFAD for obtaining NOC. Upon completion of survey share findings with IFAD to understand the impact of activities on project beneficiaries	PMU, NRSP, IRM	03/2021

Responsiveness of Service Providers

Rating: 5

Previous rating: 5

Justification of rating

Rated Satisfactory. The Project’s current main service providers are the National Rural Support Programme and Institute of Rural Management (IRM). The former is responsible for community mobilization, village planning, asset procurement and delivery etc.). The latter looks after vocational and enterprise training. Other service providers include the Agriculture and Livestock Departments (technical support in beneficiary training and livestock procurement and vaccinations). The project also had received previously support from BZU for the training of paravets. Service providers have provided quality work in accordance with plan and within the budget. They are responsive to the needs of project beneficiaries, participate in the monthly progress review meetings and are providing regular updates.

Main issues

Project beneficiaries receive services immediately from COs who turn to VOs/LSOs for matters related to public services. SPPAP beneficiaries have received Insaf health Cards (national health insurance schemes), services of NADRA (issuance of national identity cards) and access to financial services (interest free loan, e-agriculture and smart loans etc.).

As a unique and additional opportunity, a more formal and structured approach may be required to raise awareness in a community led manner on behavioural changes like for instance the tradition of dowry for girls, which takes away a consistent part of family resources.

Project beneficiaries (of the goat package) receive services of livestock and veterinary facilities; however they need training in livestock management and linkage to markets. Currently, beneficiaries sell goats to contractors who visit villages. The project may explore the possibility of farmer organisation of goat package recipients to connect them to end buyers who offer better prices.

Agreed Action	Responsibility	Agreed Date
Awareness raising of PSC 0-23 on currently available options (access to finance) Develop awareness campaign for project beneficiaries using a formal and structured approach utilizing social capital.	NRSP/IRM	06/2021

Environment and Natural Resource Management

Rating: 5

Previous rating: 5

Justification of rating

Rated Satisfactory. Project activities related to housing and community physical infrastructure (water, sanitation, drainage, solar energy, toilets, ponds, roads/street, lining water courses/irrigation channels etc.) have resulted in positive environmental benefits. On average, each housing unit has achieved the plantation of four trees and the set up of a kitchen garden. Investment in physical infrastructure has contributed in the form of water saving, reduced dust and solid waste pollution (street pavement), reduced fuel consumption (roads) and reduced open defecation (household toilets). Environmental awareness is integral part of the social mobilisation process – covering environment, energy and natural resources management.

Main issues

Although the project has integrated environmental screening into the design and implementation, the project M&E system has the opportunity to be expanded in terms of capturing additional benefits related to environment and natural resource management. The planned outcome/impact assessment shall also include aspects related to environment and natural resources in relation to different project interventions.

Agreed Action	Responsibility	Agreed Date
<p>Include environmental and natural resource management assessment in the overall impact assessment</p> <p>Include additional benefits (indicators) related to environment and natural resources in the holistic project-wide impact assessment.</p>	PMU/NRSP and IRM	12/2021

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

Justification of rating

Rated Satisfactory. SPPAP activities have been designed in a manner that allow upscaling beyond project completion. Asset (small-ruminants) and skill transfer activities (ETO/VTO trainings) have already demonstrated that they enable beneficiaries to develop an income stream and offer further upscaling potential by organizing CO members under formal institutions and establishing market linkage. Similarly, the partnership with NRSP bank is a notable achievement as it has opened doors for formal financial inclusion of the marginalized segment. The project has involved LSOs, VOs and COs for deployment of CPI schemes and has built their capacity to maintain these facilities. Similarly, involvement of SHU and small ruminant beneficiaries in overall process reinforces a stronger sense of ownership.

Main issues

SPPAP interventions are being implemented through COs formed at grass root level. However, these COs currently lack market linkage and private sector engagement to become self-sustainable. The mission has observed that market linkage is the missing link and is crucial to sustain the activities beyond project completion. COs offer an entry point for organizing members under farmer organizations (for livestock rearing) and small enterprises (for recipients of vocational training). In view of transformation of COs into farmer organizations, the mission has recommended a partnership between SPPAP and Asia Pacific Farmers' Programme (APFP) funded by IFAD.

Under APFP, farmer organizations will be professionally capacitated to provide sustainable demand-driven services to their members and engage in effective policy dialogue for the improved livelihoods and incomes of smallholder farmers (see section value for money for action item). Livestock rearing has turned out to be a profitable activity for beneficiaries who have sold the goats in market and have earned periodic income (PKR 20,000 to 25,000 for 10 kg goat and PKR 40,000 to 50,000 for 20 kg goat). Similarly, beneficiaries of VTO trainings particularly crafts/stitching skills can be organized into groups and linked to market for bigger volumes and sustained returns. (see section overview and project progress for action item).

The mission has also observed that the second important lever for sustained economic activity for SPPAP beneficiaries is the access to start-up loans and its resultant impact on poverty graduation. While the linkage to the NRSP bank has opened doors for access to formal micro-finance for the project target groups, it is imperative to analyse and monitor if targeted beneficiaries are transitioning out of poverty by availing credit. It is also important to be mindful that the overall purpose of credit provision to beneficiaries through revolving funds is to enable them to be considered as a regular client of formal financial service providers by establishing their credit history and developing relationship with formal financial institution.

To sustain and upscale the pilot of foodbanks, it is recommended to revise the approach of the pilot to increase its outreach, relevance and impact. Food Banks should be institutionalized and seen more as a dynamic model (social enterprise or community managed enterprise, see section overview and project progress for action item).

Currently, no formal guidelines are in place for the post-project O&M and manuals for the management of food banks and revolving funds. It is paramount that the communities develop a) an agreed plan for the projected requirement for O&M of the CPIs, as well as b) a guiding management manual for the food banks and revolving funds.

Agreed Action	Responsibility	Agreed Date
Formal plan for post-project O&M of CPI and management manual for food banks and revolving funds NRSP shall develop a template for developing a projected O&M needs and plan as well as shall develop management manual for food bank and revolving fund and share for NO of IFAD (carry forward from previous supervision mission)	NRSP	03/2021
Revolving Credit Fund Conduct random sampling at the end of each loan cycle to analyse and report impact of revolving fund on client economic health and graduation out of poverty	NRSP, NRSP Bank	

Potential for Scaling-up

Rating: 5

Previous rating: 5

Justification of rating

Rated Satisfactory. SPPAP has inspired pro-poor programs of other donors and SPPAP districts have been visited by a team of the World Bank funded Punjab Human Capital Investment Project. SPPAP has already secured three additional financings to increase geographical coverage, in view of its remarkable result. Implementing partners engaged by the project are permanently based in the project area and can continue to support SPPAP activities beyond project completion. SPPAP activities are inherently contributing to the government's social protection agenda by reducing poverty and generating self-employment. While activity wise analysis and recommendation for scale-up has been made, SPPAP offers significant opportunity for overall scaling up by documentation and dissemination of impact on appropriate fora.

Main issues

The project is at a mature stage and has sufficient experience for further scale-up. The chairman P&D in the wrap-up meeting has also recognized the effective poverty graduation approach and remarkable results achieved by the project. The mission has reinforced the need for documentation and dissemination of project outcomes so that the interest of key decision makers can be solicited for potential scale-up strategy. Progress so far made in SHU intervention offers a blueprint for government and donors to address homelessness through a workable and cost-effective model. As of today, the project has benefited approximately 181,000 households. SPPAP has the potential to increase the breadth and depth of impact if additional financial resources are mobilized as it has demonstrated its potential and ability to play a critical role in poverty alleviation in targeted districts. The key would be creating visibility of project outcomes and sharing lessons learnt throughout the course of the project. (see knowledge management section for action items)

c. Project Management

Quality of Project Management

Rating: 5

Previous rating: 5

Justification of rating

Rated Satisfactory. The Project coordination functions, the monitoring, and reporting continue to operate in satisfactory manner. The Project Steering Committee meets as required, make decisions on emerging issues and provide strategic advice to project management. A regular feature of the SPPAP is the monthly progress review by the Planning and Development Board which shows ownership and commitment of the Government of Punjab to this flagship project.

Main issues

The recruitment for open positions initiated last year was delayed mainly due to COVID 19, but now received a final approval by the Government of Punjab on January 29 2021. Therefore, the staff recruitment process is currently underway in P&D and likely to be completed by end-February.

Knowledge Management

Rating: 4

Previous rating: 4

Justification of rating

Rated Moderately Satisfactory. A Knowledge management action plan has been developed which guides project staff and implementing partners in the compilation of successes and lesson learnt. Several case studies have been developed by the project and implementing partners, showcasing emerging impacts on an ad hoc basis. The Project uses websites (own and that of partner organisations, social media, and UN response to COVID19) to disseminate its outputs and

activities. Furthermore, SPPAP is perceived as a successful model and has recently inspired the design of a World Bank Funded project. A statistically robust evidence is expected to be generated through focused impact assessment studies which shall lead to development of knowledge products.

Main issues

- The PMU needs to generate data that provide the basis for the development of knowledge products. More importantly the generation of data on indicators related to outcome and impact is critical.
- The current KM strategy and action is weak. It needs to be updated with respect to; (i) clarity in terms of objectives; (ii) costed activities, action and outcomes expected; (iii) responsibility matrix vis a vis the PMU and implementing partners' roles; and (iv) inclusion of KM activities in the annual work plan and budget.
- The documentation of lessons learnt is not strong and is inadequate to enable the engagement for high level policy reform for which capacity building is very important. There is an opportunity that SPPAP innovative approaches are picked up by Government systems for replication with own public spending, and for this to happen the project should identify appropriate spaces to engage in policy dialogue and support the dialogue with appropriate and relevant knowledge products. The development of a policy brief on the overall project approach and also of one specifically focusing on SHU is recommended
- Well integrated knowledge products with social mobilisation shall be an opportunity to catalyse social and behavioural change. In this respect NRSP/IRM shall develop impactful campaign focused on nutrition, financial literacy, combating social issues notably dowry, and health/hygiene.
- In the case the project develop a new video to showcase pre-and post intervention situation, equally important is an associated dissemination strategy. In particular, the video should be developed with a view of supporting policy engagement (see point above) and opportunities for screening to relevant policy makers have to be identified upfront, in addition, it is recommended to involve IFAD COM division at an early stage, so as to ensure the video follows corporate guidelines that allow for broader dissemination also through IFAD channels

Agreed Action	Responsibility	Agreed Date
<p>Updating of the Knowledge Management Plan</p> <p>Update the knowledge management strategy and plan with respect to objectives, cost estimates and clear roles for PMU and implementing partners.</p>	PMU	03/2021
<p>Capture outcome and impact through video documentary(ies) with associated communication strategy</p> <p>Engage service providers to produce high quality video products involving IFAD Communication Division for dissemination through relevant fora.</p>	PMU	09/2021
<p>Conduct social and behavioural change campaign</p> <p>Develop ITC material and design and run a campaign covering all community organisations and beneficiaries of VTO/ETO.</p>	NRSP/IRM	12/2021

Value for Money **Rating: 5** **Previous rating: 5**

Justification of rating

Rated Satisfactory. The Project approach is efficient in using project resources to derive results. Through an investment in housing and provision of goats, the project graduates extremely poor out of poverty. The cost of all major inputs have gone up, however the relative increase in cost per intervention is proportionately lower. Project activities are implemented within the budgeted values and are yielding higher financial and economic returns for the beneficiaries. Project implantation experienced a slowdown during the COVID19 pandemic scenario but remains on track and major activities of the project have been completed according to the schedule and represent a reasonable cost.

Main issues

The main project activities under the project include low cost housing, provision of goats package, revolving funds, vocational skills and entrepreneurship training, community physical infrastructure, access to finance and food security through food banks. The variation in unit cost is less than the rate of inflation and all major assumptions remain valid.

The following are the major categories of investments and their cost-benefit:

- **Low-cost housing:** The average cost per housing unit is estimated to be US\$ 4,435, excluding the purchase of

land which is the equivalent of US\$625 per household. The total cost of the housing translates into US\$500 per person (the average size of most recipient households is 10 members) graduating the household from the PSC band of extreme poverty. The mission observed three different categories: households (i) having moved out of poverty sustainably by exploring different options of income generation – leasing an orchard, fattening cattle or having a shop with an average earning Rs. 50,000- Rs. 70,000 (US\$310 – US\$438) per month; (ii) having secure housing enabling 1 or 2 members of the household to find a job (owing to own house the household is trusted) for instance as a driver earning addition Rs. 15,000 (US\$100) per month; and (iii) those undertaking wage labour and micro economic activities enabling them to increase their income by Rs. 3000 to Rs. 5000 (US\$20-US\$30) per month. All beneficiary households of low-cost housing are out of the poverty band 0-23 and thus no more remain eligible for the unconditional cash transfer – an added benefit to the Government’s exchequer. The investment in housing corresponds to 37 months of unconditional cash transfer excluding the overhead cost of it.

- **Small ruminants:** Through the grant in the shape of goats (2 numbers), poor households receive milk and sell bucks (of at least 6 months old). The return of investment to two goats is over 60% (return of 35,000 per year for an investment of Rs. 52,000 (US\$325). Those who were provided goats in 2016 have generated an income of Rs. 25,000 (US\$150) – Rs. 50,000 (US\$300) per year.
- **Vocational training:** The beneficiary of the vocational training with an investment of around US\$200 per trainee has resulted in an earning potential of US\$80-US\$100 while working as skilled workers. Those who have been able to start their own enterprise earn a 1.5 to 2 time higher income per month than before. For the women the earning potential vary significantly between US\$30 – US\$200 per month.
- **Revolving fund:** The demand for revolving fund exceeds its supply and its cost (15%) is significantly lower than the micro-finance terms (around 28% interest rate of NRSP NGO and 33% by NRSP Bank) or middlemen (70 to 90%). It was noted that borrowers make at least 25% return on investment.

Agreed Action	Responsibility	Agreed Date
<p>Organise pilot farmer organisation for improved market access</p> <p>NRSP shall organise recipients of goat package into farmer organisation and develop pilot business plan as well as explore option for linkages to end-buyers – at least one pilot per region established by end of 2021.</p>	PMU/ NRSP	12/2021
<p>Conduct economic analysis of SPPAP interventions</p> <p>Include value for money analysis in the impact assessment for all interventions undertaken in 2016 and 2017 to ascertain its impact.</p>	PMUI NRSP/IRM	12/2021

Coherence between AWPB and Implementation

Rating: 5

Previous rating: 4

Justification of rating

Rated Satisfactory. Coherence btw. AWPB and implementation is rated satisfactory. In 2020 and despite the very challenging COVID-19 lockdown situations in country, the project implementation progress was proceeding in a satisfactory manner for most of the important activities in all components. The PMU and its implementing partners are well positioned to achieve all the current fiscal year 2020-21 AWPB objectives and targets.

AWPB Inputs and Outputs Review and Implementation Progress

The revised AWPB 2019-20 targets have been achieved successfully as well as the current fiscal year 2020-21 is on its track for the implementation and achieved so far achieved 50%.

Implementation Progress AWPB 2020-21: Under the social mobilization component, 7,540 COs have been formed against the target of 9,000. The AWPB 2020-21 targets for both men, women and mix groups are likely to be achieved in the remaining period from Jan-Jun 2021. During the reporting year, the annual targets for men and women COs membership have been achieved, the cumulative progress on both is 80% for male and 92% for female respectively. While the office bearers (COs, President and Manager) managerial trainings/community management skill trainings (CMST) have planned and conducted, the project trained 2,800 male and 12,446 females under this intervention, achieving a cumulative progress of 100% and 100% respectively. Under the asset creation subcomponent: for small ruminants, the project has achieved 100% of the target under the original two tranches benefitting 72,748 poor women with BISP PSC 0-18. Under the ongoing second AF of US\$25million, against the total targets of 24,000, the project has thus have achieved 24,000 and provided to the poor women. For the land plots and secure housing units, under the original and top-up financing, 1,557 houses and 1,600 plots have been delivered against the target of 1,600. Under the additional financing of US\$25million, the project has provided 1,232 small land plots and 1,232 secure housing units for the poorest women having PSC 0-11. The project has fully achieved the target of 14,555 participants under the first phase which included 50% women and 69% of youth. Under the second AF (25 million), the project has so far made arrangements of vocational trainings to 10,812 participants including 78% women and overall 53% youth, and the

remaining target will be met within the stipulated timeframe.

Under the Community Infrastructure Component, the project achieved 100% targets under the first two financings. Under the second AF of US\$ 25 million financing, 299 CPIs have been completed so far against the target of 300 CPIs. In terms of overall outreach, against the target of 131,000 as per the revised PC-1, 180,831 households and around 1,265,817 persons (men 645,567 women 620,250) have benefitted from project interventions. Under the Agriculture and Livestock Development component, all physical targets have either been fully met or exceeded both under the AWPB as well as cumulative project achievement. There were no targets for Productivity Enhancement Initiatives, as the target for the same had already been met (10,057 grants/beneficiaries). The 13 Food Bank pilots continue to function effectively. A total of six cycles of wheat distribution have been completed reaching 7,857 beneficiaries (male 789 female 7,068). The payback performance is almost 95% with additional 10% of the quantity received by the beneficiary. Under the livestock services, the project target of 200 trained paravet workers (111 men, 89 women) has already been achieved. The pilot on community agriculture revolving funds continues to show excellent results reaching 14,666 loans over ten cycles with 99.5% payback with 15% interest amount. The project management component continues to perform very well and the overall coordination, monitoring, financial and procurement management functions are being performed in a satisfactory manner. Despite the challenging COVID-19 lockdown situations in the country the project achieved the targets. The PMU currently functions with almost half of the approved staff positions. The recruitment process for the existing vacancies and for the new DMUs in our additional districts are currently underway and needs to be expedited.

Performance of M&E System	Rating: 5	Previous rating: 5
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Justification of rating

Rated Satisfactory. The project has developed a comprehensive and sophisticated M&E system supported by innovative tools and well-designed Management Information System (MIS). The MIS includes capturing data and information on project investments, activities, and services and can generate information on each beneficiary and produce disaggregated data and reports. The M&E also derives its strength from Geo-Tagging of infrastructure investments and other web-based applications developed with the support of the Punjab Information Technology Board (PITB). The project carried out an impact assessment in 2018 which needs to be updated to capture the updated situation with regards to outcomes and impact indicators. SPPAP is also selected for a third party impact evaluation by RIA, for which the methodology is ready while the field work has been delayed due to COVID 19.

M&E System Review

The M&E system is currently used to serve the function of disaggregated reporting by component, gender, geographical areas, poverty bands, years and the MIS is linked to the geo-tagging for physical infrastructure. The MIS and database are however not used to its full potential by providing mainly output oriented information than for outcome (assessing efficiency, effectiveness, the degree to which project objectives are reached, disbursement rates under each activity, performance on outcomes and impact indicators). Once these aspects are elaborated in the M&E system, it will not only lead to improved decision making in real time but can also be used to develop knowledge products, evidence in support of policy reforms and documenting lessons learnt. Independent of the MIS and tools used, the analysis of the captured data remains underutilised to provide outcome/impact level insights. Currently, only one combined post of Knowledge Management and M&E Specialist is filled. One position of M&E Assistant has been advertised, which, once filled, should support the KM and M&E specialist in analysis

Besides producing data on outputs, some case studies and activity-specific surveys were conducted by the implementing partners. While these studies can feed into the development of knowledge products, however, future studies need to pay attention to study design, sampling framework and the rigor of analysis as well as to covering a broad spectrum of qualitative and quantities aspects. The PMU and implementing partners should also utilise technical assistance on critical aspects and shall commission thematic evaluation studies and assessments to third parties.

In view of the emerging impacts of project interventions, it is time to demonstrate the project's attainment of outcomes, documenting result as an overall contribution to the SDGs in the context of the targeted districts. The studies should look at: (a) The Project contribution to the SDGs specifically; SDG1: no poverty; SDG2: zero hunger; SDG5: gender equality; SDG6: clean water and sanitation; SDG8 decent job and economic growth, health indicators (SDG3), education (SDG4), and clean energy (SDG7) etc.; (c) the development of policy insight papers on poverty graduation and youth job market readiness; and (c) knowledge products development including video documentaries (see agreed action under KM section).

Agreed Action	Responsibility	Agreed Date
SDG impact assessment study Undertake a project impact assessment study with indicators aligned to Log-frame and SDGs.	PMU/NRSP/IRM	06/2021
Train district level and implementing partner staff in M&E and KM Organise a training in collaboration with IFAD M&E/KM for management and concerned staff.	PMU/ICO	08/2021

Social, Environment, and Climate Standards requirements

Rating: 4

Previous rating: 4

Justification of rating

Rated Moderately Satisfactory. SPPAP was designed under the previous IFAD Safeguard guidelines, which required only an Environmental and Social Management Framework (ESMF). The ESMF was prepared to set out the environmental assessment procedures required by the programme social mobilisation partners and other stakeholders, to assess and mitigate the possible significant negative environmental and social impacts. It is compliant with the National Environmental Laws (Pakistan Environmental Protection Act, 1997). The existing provisions of ESMF screening and assessment of CPIs and SHUs are still applicable to 10 Districts extended AF 39.4 million as there is no major change in infrastructure types.

SECAP Review

As the sub-projects or schemes in SPPAP AF 39.4 million, have no individual or cumulative potential adverse environmental impact, the construction of 3,050 SHUs and over 700 CPIs in AF phase is categorized under category "C". For this Category, NRSP comply with the minimum requirement of ESR Form A and Form B. This is in line with what stated in the project ESSF-ESMF ('The projects or schemes which individually or cumulatively may have minimal or no adverse environmental and social impacts and are not listed under any of Schedules of the federal or provincial EPA Review of IEE/EIA Regulations. Most of the projects and schemes implemented by NRSP or its executing entities fall under this category. However, given the cumulative impact these schemes may cause in a specific geographical area, such projects or schemes will be screened for any adverse environmental and social impacts using the sectoral guidelines and checklists as well as the Environmental and Social Review (ESR) checklists and guidelines developed by the Pakistan Poverty Alleviation Fund (PPAF) under its Environmental and Social Management Framework (ESMF). These checklists and guidelines cover all types of schemes and/or activities carried out by NRSP or its executing entities and the NRSP staff has already been trained adequately to use these checklists and guidelines').

d. Financial Management & Execution

Acceptable Disbursement Rate

Rating: 4.0

Previous rating: 3

Justification of rating

The Project has disbursed USD 65.72 million (or 64%) out of total USD 101.91 million until Dec 2020 with 21 months remaining to completion date. Auto-rate before deducting the penalty points is 4 -Moderately satisfactory. Two Penalty points were deducted, however they are not applicable as the projects' three extensions were all associated with additional financings.

Main issues

The project has disbursed USD 65.72 million (or 64%) out of total USD 101.9 million until Dec 2020 with 21 months remaining to completion date of Sept 2022 for remaining balance of USD 36.19 million. This requires an average monthly disbursement rate of USD 1.7 million as compared to an average monthly expenditure of USD 0.96 million in 2019-20 and USD 1.14 million during the six months of 2020-21. The project has outstanding commitments of USD 8.89 million, which makes the combined percentage of disbursement and commitments to 73.2%.

If the Project is extended by one year then the required monthly disbursement is USD 1.17 million, which is practical considering average historical disbursement.

The Project needs to close the Additional Loan 1 of SDR 7.29 million out of which SDR 1.75 million (USD 2.52 million) is still outstanding to be disbursed/adjusted. The Project also needs to close the Additional Loan 2 of USD 25 million out of which USD 6.57 million are still outstanding to be disbursed/adjusted.

Agreed Action	Responsibility	Agreed Date
Additional Financing 1 of SDR 7.29 million: Submit WAs to close Additional Financing 1 of SDR 7.29 million	PD / Finance Manager	04/2021
Additional Financing 2 of USD 25 million: Submit WAs to close Additional Financing 2 of SDR 25 million	PD / Finance Manager	07/2021

Fiduciary aspects

Quality of Financial Management

Rating: 4

Previous rating: 4

Justification of rating

Quality of financial management is rated as moderately satisfactory. PMU has implemented some of the recommendations of the last mission's recommendations. Pending actions include completion of hiring process, inspection of NRSP records and its documentation, utilization of savings in COs bank accounts and hiring of internal auditor.

Main issues

Organization and Staffing; 87 out of 107 positions of officers remain vacant - 24 in PMU, 11 in Regional Coordination Unit (RCU) and 52 in DMUs. Shortage of managerial staff weakens PMU's capacity for oversight of decentralized spending through implementing partners especially that the geographical spread of the project has expanded significantly under the new financing. Considering that the project now focuses on creating sustainable livelihoods for the poor and that the implementation is the responsibility of IPs, the project needs to align its organizational focus accordingly.

Accounting and Financial Reporting; Project is using QuickBooks as an accounting software. The software meets project minimum needs and IFAD requirements. As recommended by the previous mission, separate ledgers have been opened in the accounting software to track utilization of each loan. However, for preparation of consolidated reports, the project finance team has to extract accounting information from each ledger and consolidate in MS Excel. The project needs to explore possibility of developing automated consolidated reports for all ledgers. The finance team needs training in intermediate and advanced MS Excel.

Project has never submitted the interim financial statements (IFRs) as indicated in the LTB. Project is expected to submit the IFRs in the new templates within 45 days after each reporting period.

Internal Controls: Mission reviewed a sample of 30 transactions worth USD 0.13 million out of the total amount of USD 11.68 million drawn through the SOEs since the last supervision mission. The supporting documents were available for all transactions. It was recommended in the previous mission that periodic inspection NRSP's record should be made. The project has made a couple of visits for inspection of NRSP's records but has not documented the results of such visits.

AWPB: The AWPB 2019-20 was USD 17.38 million while actual expenditure was USD 12.30 million (70.8%) while AWPB for 2020-21 is USD 15.62 million and actual expenditure until Dec 2020 is USD 7.19 million (46%).

Community Organizations (COs): The Project implementation is done through COs, by first transferring funds to COs' bank accounts and thereafter utilizing the funds thereafter. In some interventions, the actual amount spent is less than the budgeted amount transferred to COs' bank accounts, resulting in savings, being accumulated over a large number of COs' bank accounts. The amount of savings increased from USD 0.09 million in June 2019 to USD 0.16 million in June 2020 and to USD 0.25 million in Sep 2020. The Project needs to prepare a plan and utilize the savings lying in COs bank account.

Internal Audit; The working of the project is subject to financial oversight of the provincial AG / District Accounting Office. Additionally, the P&D has an internal audit system which conducts internal audit of projects—including SPPAP. The project does not have an internal audit function but one of the positions under recruitment is of Internal Auditor. The internal auditor should conduct sample based inspections of IPs and COs and other procedures to test and strengthen internal controls within the project.

Agreed Action	Responsibility	Agreed Date
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<p>Interim financial reports</p> <p>Submit IFRs to IFAD on the revised IFR format - Deadline: (14th of Feb (Jul – Dec) 14th of Aug (Jan – Jun).</p> <p>----</p> <p>unaudited FS were submitted on time. but the IFRs for middle of the year were not submitted</p>	FM/PMU	02/2021
<p>Recruitment: Hiring process needs to be completed urgently for Accounts Officer.</p>	P&D Department	02/2021
<p>Internal Auditor: Hiring process of internal auditor to be completed urgently.</p>	P&D Department	02/2021
<p>Hiring an Internal Auditor</p> <p>Vacant position of Internal Auditor must be filled</p> <p>----</p> <p>deadline extended due to Corona lockdown in country which delayed the recruitment process in the government. Chief Minister approved and sent to Chief Secretary to Chairman office.</p> <p>----</p> <p>Mission Jan 2021 Update; The process for hiring of Internal Auditor got delay due to COVID and Lockdown. But, now all the legal, codal formalities have been completed. Within a month, recruitment process shall be completed by the P&D Board, Punjab.</p>	PD/PMU	03/2021
<p>Community Organization Savings: Prepare a plan and utilize the savings lying in COs bank account.</p>	PD / Finance Manager	03/2021
<p>Financial Reporting: Explore possibility of developing automated consolidated reports for all ledgers.</p>	Finance Manager	04/2021
<p>Training: Finance team to be provided training in intermediate and advanced MS Excel.</p>	PD / Finance Manager	04/2021
<p>Internal Controls: The Project needs to make monitoring visits to NRSP and document the findings.</p>	Finance Manager	04/2021
<p>Strengthening of internal controls/Internal Audit; Conduct quarterly Inspection of NRSP's field offices to ensure uniformity in documentation;</p> <p>Partially complied, 3 visits were conducted for which one with IFAD mission and one with auditors. Plan to conduct quarterly visits (without informing the districts) a sample districts to be chosen.</p> <p>---</p> <p>Update Jan 2021 mission Partially complied, 3 visits were conducted for which one with IFAD mission and one with auditors. Plan to conduct quarterly visits (without informing the districts) a sample districts to be chosen. No documentation as of date</p>	F&A Manager/PMU	06/2021

<p>Reliability of financial information/data in field</p> <p>Conduct random (small sample based) quarterly field inspections NRSP and Cos and document this activity</p> <p>---</p> <p>Update Jan 2021 mission; project has reported that was complied with but there is no documentation or reports on these field missions</p>	PD/PMU	06/2021
<p>Utilisation of CO's savings in interventions in the second phase</p> <p>Supervision mission March 2019:</p> <ul style="list-style-type: none"> - As per project: Implementation of new targets have been started recently. COs saving would be utilized during implementation. - Mission agreed with the approach. <p>---</p> <p>Mission Jan 2021 Update;</p> <p>As per project: Implementation of new targets have been started recently. COs saving would be utilized during implementation. - Mission agreed with the approach.</p>	Finance & Admin Manager	

Quality and Timeliness of Audit	Rating: 4	Previous rating: 4
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Justification of rating

The audit report was received after 4 days from due date. The financial statements are informative and have been improved however there are still areas and points to be enhanced in the report.

Main issues

The Audit report was submitted with 4 days delay. There has been some improvements on the report to be in accordance with IFAD requirements on reporting and auditing. There are still some areas and points for which the project should work on to enhance the quality of the report; inclusion of the DAs Reconciliation statement, improvement on the presentation of the WA statement, statement of Comparison between budget and actual amount, fixed asset schedule and the Sources and Uses of Funds statement as detailed under the "Financial Statement" section.

One of the main shortcomings in the report was that it did not include the Notes to the financial statements instead they were sent separately by the project and were not signed by the auditors.

Overall, the financial statements were informative and provided sufficient details of the financial performance for the audited Financial Year.

Agreed Action	Responsibility	Agreed Date
<p>Apply specific improvements on the Financial Statements for the next financial year</p> <p>1-Include DAs Reconciliation statements so it reflects the DA advances, recovered amounts, bank statement balances and outstanding withdrawal applications for each DA. 2-WA statement to identify finance instruments for each WA. 3-Statement of Comparison of Allocated and Actual amount to be as per Appendix 5 (SOE) template. Combine Statements 3 and 4 in one statement and to ensure that the sources of funds, variance percentage column, cumulative column and uses per categories are included. 4-Fixed Asset Schedule should include the value of each asset item and current location not only who bought it. 5-Categories names should be added to the Sources and Uses of Fund statement.</p>	PMU - Finance Manager	12/2021
<p>Adding the Notes of the Financial Statements in the audit report</p> <p>Include the Notes of the financial statements in the report, to be signed by the auditors.</p>	PMU - Finance Manager	12/2021

Counterparts Funds

Rating: 4

Previous rating: 5

Justification of rating

As per the Financing Agreements, GoPb has to provide \$13.5 million to cover duties, taxes and GoPb share of project expenditure. However, due to (1) cancellation of some interventions (Productivity Enhancement Initiatives (PEI), Farmer Field School (FFS) and Veterinary Assistant) during IFAD MTR in 2015; (2) exchange rate differences between PKR and USD in the last years which led to a significant increase in the dollar rate, there was a need to revise the amounts already committed in the FAs and to reduce it from \$13 million to \$8.2 million. 46% of the revised contribution has been received since inception to 31 December 2020. GoPb has already released PKR 60 million; 62% of AWPB's budgeted contribution. PKR 30 million is under process and will be released before the end of the year.

Main issues

Beneficiaries' contribution is calculated as a percentage of the cost of certain interventions, are made in cash and deposited in the COs bank accounts. By the end of 31 December 2020, the beneficiaries have contributed an amount of USD 1.33 million (46%) against their estimated share of USD 2.91 million. The project recorded cumulative beneficiaries shares annually in FIS (QuickBooks), however this needs to be recorded semi-annually in FIS and must also be reported in half yearly interim financial statements. The recording of beneficiary cash contribution annually is due to the large number of COs (several thousands) and the time and effort required to collect bank statements and calculate and consolidate the amount of contribution from each of the bank statement.

NRSP is responsible for ensuring that COs are maintaining these accounts as per the requirements of the project. PMU, however, needs to ensure this through periodic/random checks which should be documented with all findings and recommendations properly. Mission notes that this is not being done and documented.

Government contribution is stipulated in the Financing Agreement to be USD 13.55 million (Original Loan USD 5.6 million, AF II USD 4.5 million and AF III USD 3.45 million) to cover duties and taxes and GoPb share of project expenditure. Since project's inception, the GoPb has provided SPAPP an amount of approximately USD 3.98 million (28%) when compared to original contribution and 46% when compared to the revised estimated contribution until the end of 31 December 2020. The project has used an amount of USD 3.82 million until the end of 31 December 2020. For the AWPB 2020-21 an amount of PKR 60 million has been released against budgeted allocation of PKR 96 million and the project has spent all released amount. PKR 30 million has been requested from the GoPb and is under process.

For the original loan and first financing phase amounting to USD 40 million, the requirement of counterpart funding decreased by around USD 1.2 million because the activities of the Farmers Field School, Productivity Enhancement Initiatives, and Veterinary Assistants were excluded from the project design. These activities were to be partially funded from the government counterpart funds. These have been replaced by activities which are now fully financed with IFAD funding. In addition to that, exchange rate differences between PKR and USD in the last years have led to a significant increase in the dollar rate, there was a need to revise the amounts already committed in the FAs and to reduce it from \$13 million to \$8.2 million. When comparing the first approved PC-I of SPPAP, the rate was calculated at USD 1 = PKR 84 while the last revised PC-I has been approved at a rate of USD 1 = PKR 158. Approved GoPb share in latest PC-I is Rs. 1,132,303,984.

Agreed Action	Responsibility	Agreed Date
Beneficiaries' contribution: Beneficiaries cash contribution must be recorded in accounting software semi-annually.	Finance Manager	07/2021

Compliance with Loan Covenants **Rating: 5** **Previous rating: 5**

Justification of rating

Rated Satisfactory. The Project is substantially compliant with all loan covenants except a few covenants including timely submission of AWPB and submission of interim financial reports.

Main issues

The mission noted that the half yearly interim financial statements was not submitted to IFAD which is due to be submitted after 45 days of period end (15 August and 15 February). The PMU did not submit the AWPB 2020-21 by 30 April 2020 as required (For details please see Appendix 3).

Agreed Action	Responsibility	Agreed Date
Submission of AWPB Annual Work Plan & Budget to be submitted to IFAD at least 60 days before the start of the financial year.	PD / Finance Manager	04/2021
Interim financial statements Interim financial statements to be submitted within 45 days of the end of each half-year.	Finance manager	

Procurement

Procurement **Rating: 5** **Previous rating: 5**

Justification of rating

Rated Satisfactory. Procurement under the project is rated satisfactory in terms of process, conduct, value for money, transparency and efficiency. By the end of the 2nd quarter the project reached to US\$4,714,281.00 for procurement of goods and works categories US\$.51%, while services US\$30,303 (0.03%) is in process and the contract will be signed by the end of May. The application of community-led-procurement procedures are in general transparent, the project approach of community-led-procurement for small ruminants (2 goats' packages), construction of low-cost housing and CPIs schemes and training have been carried out as per established criteria and in line with the approved PIM. Despite the COVID-19 and lock down situation in the country, the PMU has overall successfully achieved the planned targets.

Procurement Review

The procurement plan for the fiscal year 2020-21 included goods, work and services for a total cost of US\$9,312,517.00, in line with the AWPB; and the nature of activities, quantity of goods and services in the PP are consistent with activities referenced in the 2020-21 AWPB. Methods of procurement applied in the procurement plan and actual procurement are consistent with the provision of the Financing Agreement, Letter to the Recipient (LTR) and the Punjab Public Procurement Authority (PPRA). During the review of the procurement plan, it was noted that the PMU was not using the updated version of the procurement plan, however, the updated version has been shared with staff and advised for the implementation accordingly. The revisions of the PP are not on quarterly/need basis, it was also noted that the procurement plan is not publicly accessible. There was no procurement officer at the PMU to handle the procurement and contract management functions, the procurement functions assigned to M&E/KM. The interviews have been concluded and the summary has been approved by the Punjab Government Cabinet on 29 January, 2021, hopefully, the procurement officer will be on board by the end of February, 2021.

The review shows the compliance of the PPRA consistent with IFAD procurement guidelines and the Financing Agreement and Letter to the Borrower as well as the IFAD Policy on Preventing Fraud and Corruption in its activities and operations. The Mission reviewed the documentations of tendering process for the procurement of laptop & desk computers, equipment and furniture and fixtures items for the PMU and DMUs through national tendering process, it was noted that the due procurement process has been followed and all the process documentations have been filed. Based on the review of documentations PMU has done the evaluation process by the authorized evaluation committee comprising of three members one member with the technical knowledge and experience in coherence with the type of procurement

and two members from technical teams to perform the three stages evaluation; i) technical evaluation and ii) financial evaluations. Upon completion of the evaluation process, procurement committee members sign the evaluation reports with recommendation. The contract/purchase/supply orders awarded to the suppliers/bidders to the lowest and best responsive bids.

There is no dedicated focal point to handle contract management; the role assigned to the Finance and Administration Manager who is handling contract management and administration with support of Gender Specialist and M&E/KM Specialist for the review the deliverables and process the invoices for payments. In addition, PMU has started online data entry on IFAD client portal for contract monitoring, however, it was noted that the data entry was not on a regular basis. The Mission recommends the PMU to nominate the additional two staff members (Procurement and Admin& Account Officer) to be trained on the ICP-CM, so they could enter the data on a regular basis in ICP-CM.

Demanded documents were promptly provided by the PMU focal point which indicates that there is a consolidated filing system for the procurement records, which is available right up to the point of contract issuance. PMU was advised to keep all the invoices and deliverable reports, payments records copies one box file.

The agreed actions of the last supervision mission have been implemented. Regarding the “non-settled” Audit paras related to procurement activities from the financial year 2015-16 to 2019-20 peri-od, there were total 9 are outstanding and not yet settled. PMU should hold a meeting with external auditors and share all the relevant documentations and sort out the findings and share the final report with IFAD.

Agreed Action	Responsibility	Agreed Date
Procurement Plan Fast track the hiring the services of a consulting firm to support PMU for monitoring, evaluation & knowledge management and communication activities	PD/PO/M&E/KM	05/2021
External Audit Findings/Observations/Paras PMU hold a meeting with auditors and share all the relevant documentations and sort out the findings and share the final report with IFAD.	PD/FAM	05/2021
Procurement Plan Use updated appropriate procurement plan template for goods, works and services get IFAD No Objection immediately. The PP should be revised on quarterly basis.	PD/PO/FAM	
ICP- Contract Monitoring Regular update data in ICP-CM system	PD/FAM	

e. Key SIS Indicators

Likelihood of Achieving the Development Objective	Rating: 4.73	Previous rating: 5.0
Assessment of the Overall Implementation Performance	Rating: 4.5	Previous rating: 4.0

F. Relevance

Relevance	Rating: 5	Previous rating: 5
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Justification of rating

Rated Satisfactory. The overall relevance of SPPAP activities is well-grounded in its development hypothesis and theory of change as well as reconfirmed by the results achieved. Even though the impact assessment is yet awaited to fully

comprehend the impact on beneficiary HHs, the mission has observed that all beneficiary households of low-cost housing are out of the poverty band 0-23 and thus no more eligible for the unconditional cash transfer. In addition to the women empowerment observed, the engagement of youth in income generating activities is a notable achievement as prior to the interventions, beneficiaries reported not having any source of income and vision for a better life. SPPAP's skill and asset transfer activities have demonstrated the power to pull beneficiary households out of poverty

Main issues

The project activities are highly relevant in today's context and its development objective is in alignment with IFAD's country development strategy as well with the Government's agenda for social protection through poverty reduction and employment creation. Owing to SPPAPs potential for scale-up and relevance to other IFAD country programs, the mission has already recommended a partnership of SPPAP with APFP to achieve complementarity. The projects' poverty graduation approach has already been picked within IFAD's system (NPGP) and has created traction for other donors (World Bank funded Punjab human Capital Investment Project). The project activities have so far benefitted 181,000 households whereas given the breadth of poverty in the target districts, the project's coverage remains limited. The project has the potential to address poverty in a cost-effective manner with proven poverty graduation approach and rigorous three-tiered targeting.

Currently, SPPAP is working in 07 Union Councils in Layyah Tehsil (Layyah District) of which housing is feasible in 3 UCs only, due to vulnerability to floods. The IFAD-funded NPGP is also operational in Layyah. Under the NPGP, assets and vocation training are being provided to beneficiaries in selected UCs other than those covered by SPPAP. The Low Cost Housing and CPI initiatives are not part of the NPGP, therefore SPPAP shall seek complementarity with NPGP Union Councils of Layyah Tehsil only for implementation of Low Cost Housing and CPI activities.

The mission has observed that nutrition sensitive interventions (food bank and agriculture credit revolving fund) require more fine-tuning to be scalable. The current model of food bank (up to 150 kg of wheat once a year) does not meet the households need as hunger season typically lasts for 4 to 6 months in project area and severity of food insecurity experienced by households varies according to the family size and yield obtained from previous crop season. The mission recommends undertaking a feasibility study to identify the best-suited model for operationalizing and managing food banks on a daily basis that are able to serve the needs of the beneficiary households and evolve as a robust, scalable and institutionalized fall-back especially during hunger season.

With regards to revolving fund, the mission has observed that the current approach of both NRSP Bank and NRSP NGO needs to be revised in order to expand its outreach. As of now, each beneficiary is entitled to obtain 4 cycles of loan due to which the unique borrowers are less than 50%. The mission recommends expanding the outreach of revolving fund for agriculture inputs as it plays an important role in providing credit to beneficiaries in 0-23 band and thereby enabling them to undertake agriculture related activities for commercial as well as domestic consumption.

G. Project Modifications

Responsibility	Modification type	Description
Financing Agreement for third additional Financing of US\$ 39 million signed on 12 Feb 2020.	Additional Financing	n/a
Expanded to 10 districts under the new additional financing	Project Area	n/a
extension of completion date to September 2022 and closing date to March 2023	Completion Date	Approved at EB together with the third additional financing of US\$39 million.

H. Lessons Learned

Capacity building activities tailored to local culture, opportunities and gender

Dress designing, and beautician courses are still prioritized by young females and it seems to have a good impact at individual and family level. Dress designing has become ultimate source of income without overburdening the women. Before the intervention women were obliged to work for more hours on in-kind basis, most of the times unable to eat proper food due to less affordability and overburden of home chores and outside work. With this training women can work within safe boundaries of their home and earn dignified incomes along with spending quality time with their family.

In most of the cases dress designing beneficiaries were assisted by NRSP to develop local market linkages. For example, they were able to get a contract of uniform stitching for a local scale. However, this can be worked out more strategically by defining terms of contract with potential organizations. Similarly, hijab stitching can be included in next modules as hijab is an ultimate requirement of females in most of project areas.

Small enterprise is a profitable business in local context. Women owned and run businesses are more safe and secure sources of income for them. They have realized upscaled their businesses during following years and now they want to diversify their businesses by analysing the local needs and demand. For example, one beneficiary is able to save PKR10,000 a month from her shop. She realized that in her locality women are more troubled to go to city/main market to get shoes and cosmetics, she is thinking to make some savings and include these items in her shop. Hence a growth model is evident, and beneficiaries have enough capacities to understand the market pulls and pushes.

Male beneficiaries of driving trainings are provided the driving licenses and NRSP assisted them to connect with employers. In many cases they have got the employment already.

Capacity building has resulted in the following:

- **Women Empowerment:** An ultimate impact of women empowerment can be witnessed by the increased role in household affairs and decision making. In some cases, they are sole contributors to household income. They feel dignified in the society as they are receiving better marriage proposals for their children now. In project area marriage is major event in a person's life, which defines persons' status in the society. Improved incomes have enabled them to make savings, buy assets for household usage, improve their diet and spend on health and education of the family.
- **Food Security and Nutrition:** With stitching skill, the usual expenses of dress stitching for household members has been minimized to zero. Women are in better stage to strategize their days more productively. They can easily manage kitchen gardening – sufficient to cater nutrition needs for the family, rear some poultry and goats. Before getting the skill, these women beneficiaries would compromise over their diet and health to work enough to get a meal for the day. Equipped with a skill they can budget their expenses and make savings as well. Beneficiaries reported that now they cook meat at least twice a month, which was not the case earlier.
- **Sustainability:** Realizing the growth potential and increase business knowledge and practices, feasible business plans can expedite the business growth at all levels.
- **Exit Strategy:** Market linkage development organized is the key to sustain this model for life. If individual trainees of dress designing are organized into a group at CO level and connect them with town/city market with improved branding and marketing practices, utilizing the local and social media platforms, this can be an ultimate model in longer run.

Focus on activities that have an immediate impact on the lives of beneficiaries

It is evident from the field that **small ruminants** have an immediate impact on the lives of beneficiaries. The goats provided by NRSP are of particularly good breed and their reproduction and survival rate is good. The beneficiaries who received the ruminants in 2016 have now more than 10 goats with them after either selling the offspring during challenging times (educational, health, wedding) or giving them to their relatives etc., as gift. This approach has both an immediate and long-term impact in terms of:

- **Women Empowerment:** Women beneficiaries realize their voice matters now at household level. They can make decision for household.
- **Food Security and Nutrition:** Families are using goat milk at household level, but rarely slaughtered for household use.
- **Sustainability:** Adapted to the local culture, environment and the need, the small ruminant model is scaling up naturally among the extended families of the women beneficiaries and through sales in the neighbourhood.
- **Exit Strategy:** There are some cases where farmers have not sold a single offspring since 2016 and now, they have 25 goats with them. Which indicates that farmers have capacity to rear more goats and an enterprise can be

developed around goats rearing and selling in the markets on Eid. This is way they can earn maximized profit which can be utilized to expand their business and afford better nutrition for the family.

I. Agreed Actions

Agreed Action	Responsibility	Agreed Date
Overview and Project Progress		
<p>Increase cost for SHU</p> <p>Increase by 4% in current USD terms the cost of the SHU which will become 709,513 PKR or USD 4435</p>	PMU, P&D	03/2021
<p>ETO/VTO beneficiaries' access to credit fund</p> <p>Establish necessary protocols and guidelines to ensure ETO/VTO beneficiaries' access "upto 2 start-up loan" of 1 year duration backed by a IRM attested business plan</p>	PMU, NRSP, IRM	03/2021
<p>Backstopping Mechanism for ETO/VTO Beneficiaries</p> <p>Develop and formalize a mechanism to provide continued support and backstopping to ETO/VTO beneficiaries by linking trainer with trainees post training completion</p>	NRSP, IRM	03/2021
<p>Review the Revolving Fund modalities</p> <p>Achieve: (i) increased efficiency of the loan application to approval time (reduce time lag by 50%); and, (ii) ensure full disbursement of the RF to the beneficiaries by 1st of March 2021</p>	PMU/NRSP/NRSP Bank	03/2021
<p>Undertake a feasibility study and business plan for food bank</p> <p>Explore sustainable options for the food bank – community managed social enterprise or any other feasible option and develop business plan by end 30th September 2021</p>	NRSP	09/2021
<p>Raise awareness on eligibility criteria for revolving fund through NRSP social organization staff</p> <p>Develop Information Communication and Training (ICT) material on revolving fund's terms and eligibility, financial literacy and business planning of borrowers.</p>	NRSP, IRM	
<p>NRSP social organization staff provides complete data of potential borrowers to NRSP Bank & NRSP Micro-finance unit</p> <p>The list of pre-identified potential borrowers are provided well in time for seasonal finance needs and on a regular basis for non-farm borrowers.</p>	NRSP	
<p>Monthly portfolio review of the revolving fund</p> <p>The review shall include in addition to physical progress, key performance indicators and portfolio health and deployment status.</p>	NRSP	

<p>Undertake assessments of the impact of revolving fund</p> <p>Design a study to assess the impact of revolving fund and the cash flow of different types of borrowers to determine the cash flow needs.</p>	NRSP	
Development Effectiveness		
<p>Revised poverty targeting approach in Layyah</p> <p>Establish partnership with NPGP to combine intervention in select UCs of Layyah</p>	PMU	02/2021
<p>Update PSC data</p> <p>Develop a formal mechanism i.e. Policy directive for inclusion and exclusion of households from original PSC database to fine-tune targeting strategy</p>	PMU, P&D	03/2021
<p>Enhanced outreach of revolving fund</p> <p>Raise awareness of all CO members including beneficiaries of irrigation infrastructure about revolving fund and other financial products available in the project areas including from other sources than SPPAP.</p>	PMU/NRSP & NRSP Bank	03/2021
<p>Nutrition baseline output and outcome</p> <p>Assessment Immediately establish a nutrition baseline for impact assessment and measure outputs and outcomes as per logframe indicator and definition</p>	PMU	03/2021
<p>Include Climate Adaptation in planned Impact Study</p> <p>Assess the impact of interventions that help adaptation to climate change for project beneficiaries as part of planned impact assessment study</p>	M&E, PMU	03/2021
<p>Documentation of results of revolving fund and irrigation infrastructure and integration into MIS</p> <p>SPPAP through NRSP shall integrate data on indicators linked to productivity enhancement on an annual basis.</p>	PMU/NRSP, NRSP Bank & IRMD	12/2021
<p>Support Women Trainees in Business Development and Access to Finance as well as to Markets</p> <p>BDOs to assist every ETO/VTO participant, willing to start business, in business plan development and link to start-up/working capital, as well as to markets for bigger volumes and returns</p>	NRSP, IRM	
Sustainability and Scaling up		
<p>Establish partnership with APFP, ARISE, FO4A & PAD</p> <p>Establish partnership with APFP for developing synergy between both interventions and organizing COs into farmer organizations to scale up and transform the asset transfer activity into a viable business model</p>	PMU	03/2021

<p>Impact Assessment for SPPAP beneficiaries</p> <p>Initiate design of survey questionnaire to gauge feedback and submit to IFAD for obtaining NOC. Upon completion of survey share findings with IFAD to understand the impact of activities on project beneficiaries</p>	PMU, NRSP, IRM	03/2021
<p>Formal plan for post-project O&M of CPI and management manual for food banks and revolving funds</p> <p>NRSP shall develop a template for developing a projected O&M needs and plan as well as shall develop management manual for food bank and revolving fund and share for NO of IFAD (carry forward from previous supervision mission)</p>	NRSP	03/2021
<p>Awareness raising of PSC 0-23 on currently available options (access to finance)</p> <p>Develop awareness campaign for project beneficiaries using a formal and structured approach utilizing social capital.</p>	NRSP/IRM	06/2021
<p>Include environmental and natural resource management assessment in the overall impact assessment</p> <p>Include additional benefits (indicators) related to environment and natural resources in the holistic project-wide impact assessment.</p>	PMU/NRSP and IRM	12/2021
<p>Revised Community Mobilization Approach for more Inclusive COs</p> <p>Establish more inclusive COs in small size natural villages. Multiple COs should be organized only where villages are too large are too scattered</p>	PMU, NRSP	
<p>Revolving Credit Fund</p> <p>Conduct random sampling at the end of each loan cycle to analyse and report impact of revolving fund on client economic health and graduation out of poverty</p>	NRSP, NRSP Bank	
Project Management		
<p>Updating of the Knowledge Management Plan</p> <p>Update the knowledge management strategy and plan with respect to objectives, cost estimates and clear roles for PMU and implementing partners.</p>	PMU	03/2021
<p>SDG impact assessment study</p> <p>Undertake a project impact assessment study with indicators aligned to Log-frame and SDGs.</p>	PMU/NRSP/IRM	06/2021
<p>Train district level and implementing partner staff in M&E and KM</p> <p>Organise a training in collaboration with IFAD M&E/KM for management and concerned staff.</p>	PMU/ICO	08/2021

<p>Capture outcome and impact through video documentary(ies) with associated communication strategy</p> <p>Engage service providers to produce high quality video products involving IFAD Communication Division for dissemination through relevant fora.</p>	PMU	09/2021
<p>Conduct social and behavioural change campaign</p> <p>Develop ITC material and design and run a campaign covering all community organisations and beneficiaries of VTO/ETO.</p>	NRSP/IRM	12/2021
<p>Organise pilot farmer organisation for improved market access</p> <p>NRSP shall organise recipients of goat package into farmer organisation and develop pilot business plan as well as explore option for linkages to end-buyers – at least one pilot per region established by end of 2021.</p>	PMU/ NRSP	12/2021
<p>Conduct economic analysis of SPPAP interventions</p> <p>Include value for money analysis in the impact assessment for all interventions undertaken in 2016 and 2017 to ascertain its impact.</p>	PMU/ NRSP/IRM	12/2021
Financial Management & Execution		
<p>Interim financial reports</p> <p>Submit IFRs to IFAD on the revised IFR format - Deadline: (14th of Feb (Jul – Dec) 14th of Aug (Jan – Jun).</p> <p>----</p> <p>unaudited FS were submitted on time. but the IFRs for middle of the year were not submitted</p>	FM/PMU	02/2021
<p>Recruitment: Hiring process needs to be completed urgently for Accounts Officer.</p>	P&D Department	02/2021
<p>Internal Auditor: Hiring process of internal auditor to be completed urgently.</p>	P&D Department	02/2021
<p>Hiring an Internal Auditor</p> <p>Vacant position of Internal Auditor must be filled</p> <p>----</p> <p>deadline extended due to Corona lockdown in country which delayed the recruitment process in the government. Chief Minister approved and sent to Chief Secretary to Chairman office.</p> <p>----</p> <p>Mission Jan 2021 Update; The process for hiring of Internal Auditor got delay due to COVID and Lockdown. But, now all the legal, codal formalities have been completed. Within a month, recruitment process shall be completed by the P&D Board, Punjab.</p>	PD/PMU	03/2021
<p>Community Organization Savings: Prepare a plan and utilize the savings lying in COs bank account.</p>	PD / Finance Manager	03/2021

<p>Submission of AWPB</p> <p>Annual Work Plan & Budget to be submitted to IFAD at least 60 days before the start of the financial year.</p>	PD / Finance Manager	04/2021
<p>Financial Reporting: Explore possibility of developing automated consolidated reports for all ledgers.</p>	Finance Manager	04/2021
<p>Training: Finance team to be provided training in intermediate and advanced MS Excel.</p>	PD / Finance Manager	04/2021
<p>Internal Controls: The Project needs to make monitoring visits to NRSP and document the findings.</p>	Finance Manager	04/2021
<p>Additional Financing 1 of SDR 7.29 million: Submit WAs to close Additional Financing 1 of SDR 7.29 million</p>	PD / Finance Manager	04/2021
<p>Procurement Plan</p> <p>Fast track the hiring the services of a consulting firm to support PMU for monitoring, evaluation & knowledge management and communication activities</p>	PD/PO/M&E/KM	05/2021
<p>External Audit Findings/Observations/Paras</p> <p>PMU hold a meeting with auditors and share all the relevant documentations and sort out the findings and share the final report with IFAD.</p>	PD/FAM	05/2021
<p>Strengthening of internal controls/Internal Audit; Conduct quarterly inspection of NRSP's field offices to ensure uniformity in documentation;</p> <p>Partially complied, 3 visits were conducted for which one with IFAD mission and one with auditors. Plan to conduct quarterly visits (without informing the districts) a sample districts to be chosen. --- Update Jan 2021 mission Partially complied, 3 visits were conducted for which one with IFAD mission and one with auditors. Plan to conduct quarterly visits (without informing the districts) a sample districts to be chosen. No documentation as of date</p>	F&A Manager/PMU	06/2021
<p>Reliability of financial information/data in field</p> <p>Conduct random (small sample based) quarterly field inspections NRSP and Cos and document this activity --- Update Jan 2021 mission; project has reported that was complied with but there is no documentation or reports on these field missions</p>	PD/PMU	06/2021
<p>Additional Financing 2 of USD 25 million: Submit WAs to close Additional Financing 2 of SDR 25 million</p>	PD / Finance Manager	07/2021
<p>Beneficiaries' contribution: Beneficiaries cash contribution must be recorded in accounting software semi-annually.</p>	Finance Manager	07/2021

<p>Apply specific improvements on the Financial Statements for the next financial year</p> <p>1-Include DAs Reconciliation statements so it reflects the DA advances, recovered amounts, bank statement balances and outstanding withdrawal applications for each DA. 2-WA statement to identify finance instruments for each WA. 3-Statement of Comparison of Allocated and Actual amount to be as per Appendix 5 (SOE) template. Combine Statements 3 and 4 in one statement and to ensure that the sources of funds, variance percentage column, cumulative column and uses per categories are included. 4-Fixed Asset Schedule should include the value of each asset item and current location not only who bought it. 5-Categories names should be added to the Sources and Uses of Fund statement.</p>	<p>PMU - Finance Manager</p>	<p>12/2021</p>
<p>Adding the Notes of the Financial Statements in the audit report</p> <p>Include the Notes of the financial statements in the report, to be signed by the auditors.</p>	<p>PMU - Finance Manager</p>	<p>12/2021</p>
<p>Utilisation of CO's savings in interventions in the second phase</p> <p>Supervision mission March 2019: - As per project: Implementation of new targets have been started recently. COs saving would be utilized during implementation. - Mission agreed with the approach. --- Mission Jan 2021 Update; As per project: Implementation of new targets have been started recently. COs saving would be utilized during implementation. - Mission agreed with the approach.</p>	<p>Finance & Admin Manager</p>	
<p>Interim financial statements</p> <p>Interim financial statements to be submitted within 45 days of the end of each half-year.</p>	<p>Finance manager</p>	
<p>Procurement Plan</p> <p>Use updated appropriate procurement plan template for goods, works and services get IFAD No Objection immediately. The PP should be revised on quarterly basis.</p>	<p>PD/PO/FAM</p>	
<p>ICP- Contract Monitoring</p> <p>Regular update data in ICP-CM system</p>	<p>PD/FAM</p>	



Investing in rural people

Pakistan

Southern Punjab Poverty Alleviation Project

Supervision Report

Logical Framework

Mission Dates: 20 January to 3 February 2021

Document Date: 26/02/2021

Project No. 1100001514

Report No. 5684-PK

Asia and the Pacific Division
Programme Management Department

Southern Punjab Poverty Alleviation Project

Logical Framework

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
Outreach	1 Persons receiving services promoted or supported by the project										Political and economic stability and security
	Females				538 743	628 339					
	Males				517 614	603 698					
	Young				295 826	369 611					
	Not Young				862 426	862 426					
	Total number of persons receiving services				1 056 357	1 232 037					
	Male										
	Female										
	Young										
	1.a Corresponding number of households reached							Implementing Partners' records and progress reports	quarterly		
	Women-headed households		42 000	52 400	31 606	85 161	162.5				
	Non-women-headed households		63 000	78 600	13 545	95 670	121.7				
	Households		105 000	131 000	45 151	180 831	138				
	1.b Estimated corresponding total number of households members										
Household members		735 000	917 000	302 512	1 232 037	134.4					

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
Project Goal To contribute to the reduction of poverty in 10 districts in Punjab	Percentage of beneficiary hh having graduated to a higher poverty category (based on PSC score)							impact surveys	mid-term and completion		
	Households		50	70							
Development Objective To increase the income of poor rural households by enhancing their employment potential and increasing agriculture productivity and production	Percentage of beneficiary hh reporting improved livelihoods means and income							AOS, impact surveys	annually, mid-term and completion		no major natural disasters in project area, no major changes in agric. and livestock prices, stable political economic and security situation
	Households		50	75							
Outcome Outcome 1: Improved living conditions and income-generative capacities for poorest and homeless households and the youth	Percentage of persons newly employed/self-employed after receiving vocational or business training							AOS, impact surveys	annually, mid-term and completion		Continuing market demand for trained workers no major outbreak of livestock disease in project area
	persons		50	75	0	70	93.333				
Output ultra-poor and landless hh provided with small housing units and small ruminant packages	1.1.3 Rural producers accessing production inputs and/or technological packages							implementing partners' records and progress reports	quarterly		availability of transferable land for housing plots current landlords of underprivileged community members do not oppose project implementation
	Females		47 250	59 500	19 055	72 748	122.266				
	Total rural producers				19 055	72 748					
	ultra-poor hh provided with a small housing unit							records and progress reports			
hh		2 166	2 832	734	3 206	113.2					
Output poor entrepreneurs and the youth provided with vocational and enterprise development training	2.1.2 Persons trained in income-generating activities or business management							Implementing partners' records and progress reports	quarterly	PMU, NRSP	Young women and men's motivation to acquire professional skills remain high
	Females		15 675	21 250	5 233	20 697	97.398				
	Males		12 825	17 386	147	13 562	78.005				
	Young		8 550	11 591	1 614	17 546	151.376				
	Not Young		19 950	27 045	3 766	16 713	61.797				

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
	Persons trained in IGAs or BM (total)				5 380	34 259					
	people accessing facilitated advisory services							Implementing partners' records and progress reports	quarterly	PMU, NRSP	
	Males		5 740	5 740	0	5 698	99.3				
	Females		4 317	4 317	0	4 359	101				
Outcome Outcome 2: Strengthened, more inclusive Community Organizations (COs) providing improved services to their members; and improved access to essential community infrastructure in poor communities	community organisations (COs) providing new services to their members							annual outcome surveys and impact surveys	quarterly and annual	PMU, NRSP	Active community participation in infrastructure operation and maintenance
	COs			75							
Output Existing and newly-created COs provided with capacity building support	No. of community organizations (COs) supported or newly created							IP's records and progress reports	quarterly and annual	PMU, NRSP	Poorest community members are willing to join a CO
	Community Organizations		5 500	7 000	292	7 540	107.714				
	People in community groups formed/strengthened							NRSP reports, PMU reports	quarterly and annual	PMU, NRSP	
	Males		29 040	36 960	1 786	17 257	46.7				
	Females		58 960	75 040	28 241	104 177	138.8				
	People trained in community management topics							Implementing partners' records and progress reports	quarterly and annual	PMU	
	Men trained in other		3 630	4 620	14	1 863	40.3				
Women trained in other		7 370	9 380	1 246	8 601	91.7					

Results Hierarchy	Indicators							Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility		
Output Community infrastructure identified using participatory processes, and constructed or rehabilitated	no. of community infrastructure schemes constructed (drinking water systems, irrigation schemes, sanitation, innovative technologies)							IP's records and progress reports	yearly, quarterly		Community members are able to provide in kind contribution	
	drinking water supply, irrigation, drainage, access roads and other small		1 255	1 426	161	1 468	102.945					
	household toilets				1 709	13 242						
	solar panels				0	1 289						
	hand pumps				0	539						
	2.1.5 Roads constructed, rehabilitated or upgraded							progress reports	yearly quarterly			
	Length of roads		90	105	31.5	177	168.6					
Outcome Outcome 3: Improved food security in targeted communities	Women reporting improved quality of their diets							annual outcome/impact survey			no major natural disasters in project districts	
	Women reporting improved quality of their diets		5 600	9 520	1 966	7 857	82.532					
	Percentage		50	75								
Output Food banks established	no. of food banks created							IP's records and progress reports	quarterly, annual		Proper storage infrastructure is available for rent in all targeted Union Councils	
	food banks		20	34	3	13	38.235					
	1.1.5 Persons in rural areas accessing financial services							IP's records and progress reports	quarterly, annually			
	Total number of accesses to financial services				3 114	14 882						
	Men in rural areas accessing financial services - credit				3 114	5 514						

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
	Women in rural areas accessing financial services - credit				0	9 368					
	Total persons accessing financial services - credit		1 600	1 600	3 114	14 882	930.1				
Outcome Outcome 4: Strengthened local capacity for Agriculture and Livestock Provision											
Output People trained as Para Vet	People trained as para vet							annual outcome and impact surveys			no social and cultural Barriers that prevent women from entering non traditional fields
	Males			100	0	111	111				
	Females			100	0	89	89				
Output Modern Agriculture Equipment provided to Community Service Provider (CSP)	no. of CSPs having received equipment							IP's records and progress reports			The high fuel and electricity cost does not limit the small holder capacity to use services
	CSPs			368	7	375	101.902				
Outcome Outcome 5: Strengthened advocacy and dissemination between BISP and the Punjab Government	Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment							Review of policy documents	at completion		Government's interest to learn from project experience remains high
	Number		0	2							
Output Advocacy fora and knowledge sharing platforms established and facilitated	Policy 1 Policy-relevant knowledge products completed							PCU progress reports	yearly		BISP and Provincial Government's interest to engage in advocacy/ policy dialogue remains high
	Number		2	4	0	0	0				



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

Mission Dates: 20 January to 3 February 2021

Document Date: 26/02/2021

Project No. 1100001514

Report No. 5684-PK

Asia and the Pacific Division
Programme Management Department

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

Table 1A: Financial performance by financier (USD '000) as at 31 December 2020

Financier	Appraisal		Revised Appraisal	Disbursements	Percent disbursed
IFAD Loan	40,169		27,509	27,509	100%
IFAD AF1	-		10,000	8,592	86%
IFAD AF2	-		25,000	18,672	75%
IFAD AF3	-		36,500	2,192	6%
IFAD Grant	-		2,900	-	0%
Beneficiary Contribution	3,321		8,721	1,333	15%
Government	5,630	13,549*	8,246**	3,821	46%
Total	49,120		118,876	62,119	52%

*Total for original loan, 1st, 2nd and 3rd additional financings

**Due to (1) cancellation of some interventions (Productivity Enhancement Initiatives (PEI), Farmer Field School (FFS) and Veterinary Assistant) during IFAD MTR in 2015; (2) exchange rate differences between PKR and USD in the last years which led to a significant increase in the dollar rate, there was a need to revise the amounts already committed in the FAs and to reduce it from \$13 million to \$8.2 million.

Note 1:

Following (i) the MTR, (ii) the initial partial cancellation of the original loan (USD10 million) and (iii) subsequent additional loan of USD 10 million, no revision of the COSTAB was prepared. It is therefore impossible to fill out 'Revised Appraisal' figures in Tables 1B, as detailed breakup is not available. Therefore, only actual disbursement figures are disclosed in the tables below.

Note 2: Government contribution in the table is as per the financing agreements. Upon designing the 3rd additional financing, government contribution was estimated at \$76.2 million but the resources did not allow for the investment and the project size was reduced.

Note 3: On the exchange rate differences between PKR and USD and the gradual devaluation in the local currency; the first approved PC-I of SPPAP was calculated at USD 1= PKR 84 while the last revised PC-I has been approved at USD 1 = PKR 158. As per the latest approved PC-I, total GoPb share is PKR 1,132,303,984. If GoPb share is calculated at original USD rate (PKR 84) then it would be USD 13.47 while dollar has been increased upto PKR 158 and with this USD PKR rate the same share of GoPb (PKR 1,132,303,984) would be USD 8.5 million.

Table 1B: Financial performance by financier by component (USD '000) as at 31 December 2020

Part 1

Component	IFAD loan (Original)					AF2			AF3			IFAD Grant		
	Appraisal	Actual			%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
		IFAD Loan	AF1	Total										
Livelihoods Enhancements	27,776	22,067	6,924	28,991	104%	20,303	16,736	82%	25,400	904	4%	1,700	0	0
Agriculture & Livestock Development	3,126**	2,088	306	2,394	76%	2,199	1,483	67%	10,100	1,263	13%	0	0	0
Project Management	6,607	3,354	1,362	4,716	71%	2,498	453	18%	1,000	25	3%	1,200	0	0
Total	37,509*	27,509	8,592	36,101	96%	25,000	18,672	75%	36,500	2,192	6%	2,900	0	0

Part 2

Component	Beneficiaries			Government			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
Livelihoods Enhancements	7,390	876	12%	3,924	1,994	51%	86,493	49,501	57%
Agriculture & Livestock Development	1,331	457	34%	630	650	103%	17,386	6,247	36%
Project Management	0	0	0	3,692	1177	32%	14,997	6,371	42%
Total	8,721	1,333	15%	8,246	3,821	46%	118,876	62,119	52%

*Appraisal for original loan and 1st additional financing are combined as there is no separate COSTAB for each. Original loan was 100% utilized for all components.

**Total appraisal for component 2 was reduced by \$2,660 for due to the reduction for Farmers Field School, Productivity Enhancement Initiatives, and Veterinary Assistants activities in the design of original loan and first additional financing.

Table 1C-1: IFAD Loan Disbursements (SDR '000, as at 31-12-2020) Loan No, 825 PK

Category	Category description	Original Allocation	Revised Allocation	Disbursement	Balance	Per cent disbursed
I	Civil Work / Community Infrastructures	6,235,000	6,420,000	7,289,386	(869,386)	114%
II	Vehicles	140,000	150,000	183,720	(33,720)	122%
III	Equipment and Materials	2,445,000	1,100,000	46,990	1,053,010	4%
IV	Technical Assistance, Training and Studies	6,490,000	3,500,000	3,756,931	(256,931)	107%
V	Grants to beneficiaries	6,900,000	7,380,000	7,507,007	(127,007)	102%
VI	Salaries and allowances	985,000	550,000	361,455	188,545	66%
VII	Incremental operating costs	520,000	200,000	154,511	45,489	77%
	Unallocated	2,635,000	-	-	-	-
	Total	26,350,000	19,300,000	19,300,000	-	100%

Table 1C-2: IFAD Loan disbursements (SDR, as at 31-12-2020) Additional Loan No 2000001443 PK

Category	Category description	Original Allocation	Disbursement	Balance	Per cent disbursed
I	Works	3,720,000	3,420,782	299,218	92%
IV	Technical Assistance, Training and Studies	810,000	1,054,885	(244,885)	130%
V	Grants and Subsidies	2,140,000	656,835	1,483,165	31%
VI	Salaries and Allowances	230,000	299,000	(69,000)	130%
VII	Operating Costs	100,000	106,996	(6,996)	107%
	Initial Advance	-	944,062	(944,062)	
	Unallocated	290,000	-	290,000	0%
	Total	7,290,000	6,482,560	807,440	89%

Table 1C-3: IFAD loan disbursements (USD, as at 31-12-2020) Additional Loan No 2000001985 PK

Category	Category description	Original Allocation	Disbursement	Pending WA	Balance	Per cent disbursed
I	Civil Work / Community Infrastructures	2,910,000	1,629,412	114,750	1,165,837	56%
II	Vehicles	340,000	-	-	340,000	0%
III	Equipment and Materials	130,000	42,781	-	87,219	33%
IV	Technical Assistance, Training and Studies	6,000,000	3,195,653	69,077	2,735,270	53%
V	Grant to Beneficiaries	11,830,000	10,759,150	1,843,701	-772,851	91%
VI	Salaries and Allowances	990,000	579,932	34,485	375,582	59%
VII	Incremental Operating Cost	300,000	150,671	12,532	136,797	50%
	Authorised Allocation	0	3,262,657		-3,262,657	
	Unallocated	2,500,000	-		2,500,000	0%
	Total	25,000,000	19,620,258	2,074,545	3,305,197	78%

Table 1C-4: IFAD loan disbursements (USD, as at 31-12-2020) Additional Loan No 2000002542 PK

Category	Category description	Original Allocation	Disbursement	Pending WA	Balance	Per cent disbursed
I	Civil Work / Community Infrastructures	9,500,000	-	2,212	9,497,788	0%
II	Vehicles	100,000	-	-	100,000	0%
III	Equipment and Materials	50,000	-	192	49,808	0%
IV	Technical Assistance, Training and Studies	3,450,000	-	292,546	3,157,454	0%
V	Grant to Beneficiaries	19,000,000	-	1,872,107	17,127,893	0%
VI	Salaries and Allowances	600,000	-	17,081	582,919	0%
VII	Incremental Operating Cost	200,000	-	7,526	192,474	0%
	Authorised Allocation	0	5,000,000	-	-5,000,000	0%
	Unallocated	3,600,000	-	-	3,600,000	0%
	Total	36,500,000	5,000,000	2,191,664	29,308,336	14%

Table 1C-5: IFAD grant disbursements (USD, as at 31-12-2020) Grant No 200002541 PK

Category	Category description	Original Allocation	Disbursement	Balance	Per cent disbursed
I	Civil Work / Community Infrastructures	1,500,000	-	1,500,000	0%
IV	Technical Assistance, Training and Studies	1,100,000	-	1,100,000	0%
	Authorised Allocation	-	500,000	(500,000)	0%
	Unallocated	300,000	-	300,000	0%
	Total	2,900,000	500,000	2,400,000	17%



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Appendix 2: Physical progress measured against AWP&B

Mission Dates: 20 January to 3 February 2021

Document Date: 26/02/2021

Project No. 1100001514

Report No. 5684-PK

Asia and the Pacific Division
Programme Management Department

Appendix 2: Physical progress measured against AWP&B

Component/ Sub-component or Output	Indicator	Unit	*Period: 2020-21 as on 31.12.2020			Cumulative Actual	Appraisal/ Target	%
			AWP&B	Actual	%			
Livelihood Enhancement								
<i>Asset Creation</i>	1.2.6 Households receiving animals	Hh	10000	12433	124%	72748	109500	66%
	• Land distributed to landless women for Secure Housing Unit		900	412	46%	3401	5882	58%
<i>Vocational & Entrepreneurial Trainings</i>	1.5.2 People receiving vocational training	m/w	6500	2470	38%	25367	39555	64%
	1.5.3 People trained in business & entrepreneurship skills	m/w	1200	1473	123%	8892	9081	98%
**Community Infrastructure	1.4.2 Roads constructed/rehabilitated	No.	40	6	15%	262	392	67%
		Km	30	7	23%	176	210	84%
	1.7.3 Drinking water systems constructed	scheme	5	-	-	54	87	62%
	1.7.4 Other infrastructure constructed (drainage, biogas, solar)	scheme	191	34	18%	924	1372	67%
	Community Irrigation schemes	No.	14	4	29%	228	348	66%
	1.1.5 Land under irrigation schemes constructed or rehabilitated	Ha	-	-	-	-	-	-
Agriculture and Livestock Development								
<i>Productivity Enhancement Initiatives</i>	1.2.5 People accessing facilitated advisory services (PEI grants)	m/w	-	-	-	10057	10057	100%
<i>Food Bank</i>	Community reporting improved quality of their diet	No.	1600	914	57%	7857	13600	58%
<i>Livestock Services</i>		men	-	-	-	111	200	100%
	1.2.3 People receiving facilitated animal health services	women	-	-	-	89		
Community Agriculture Revolving Fund	Persons accessing financial services	No	2400	1968	82%	14666	4000	367%
Project Management								

<i>Community mobilisation</i>	1.6.4 Community groups formed/strengthened	groups	1800	1322	73%	7540	9000	84%
	1.6.5 People in community groups formed/strengthened	men	1350	481	36%	17248	21600	80%
		women	25650	19108	74%	104163	113400	92%
	1.6.3 People trained in community functions	men	-	3	-	2674	2800	96%
women		-	1246	-	12290	12446	99%	
<i>Gender assessment Impact Studies</i>	Number of assessments completed	studies	-	-	-	0	2	0%
	Number of studies completed	studies	-	-	-	4	4	100%
Outreach	People receiving project services	men				645567		
		Women				620250		
	Households receiving project services	hh				180831	232450	78%

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Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 20 January to 3 February 2021

Document Date: 26/02/2021

Project No. 1100001514

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

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Financing Agreement				
B 6.	Opening & maintenance of a Designated account in USD.	Signature of FA	Completed	
B 7.	Opening & maintenance of a Project account in Rupees for Project operations in a bank acceptable to the Fund.	Signature of FA	Completed 15 July 2013	
B 8.	Provision of counterpart financing for the Project: <ul style="list-style-type: none"> • USD 5.6 million (including USD 4 million as taxes and duties) • USD 4.5 million • USD 3.449 million • Total 13.549 million (including USD 4 million as taxes and duties) 	Continuous	On-going	
E (i)	Appointment of the Project Director and taking office.	Signature of FA	Completed Sept 2012	
E (iii)	Approval of Project Implementation Manual (PIM) by IFAD		Completed	
E (iv)	Submission of the first AWPB and its acceptance by IFAD.		Completed Aug 2013	
E 1 (i)	Updated Project Implementation Manual (PIM) acceptable to the Fund shall have been approved and submitted to the Fund.	Condition precedent to withdrawal	Completed – Nov 2020	
General Conditions				
7.01(b) Para ii & iii	A consolidated Annual Work Plans and Budgets for the loan and grant, with procurement plan, to be submitted for its review and comments.	30 April	Delayed compliance	
7.05. (a)	Procurement of goods, works and services as per GoPb regulations, to the extent consistent with IFAD Procurement Guidelines.	Continuous	Complied and On-going	
7.08. (a)	Insurance of all goods and buildings used in the Project.	Continuous	Complied	
7.09. (a)	Subsidiary Agreement not to be entered into which is inconsistent with the Financing Agreement or the Project Agreement.		Complied and On-going	
8.02	PMU shall establish and thereafter maintain an appropriate information management system in accordance with the Fund's Guidelines for project monitoring and evaluation with which it shall monitor the project, in accordance with this agreement.	Continuous	Complied with	
8.04.	Submission of Project Completion Report before Financing Closing Date	30 March 20203	Not yet due	
9.01.	Maintenance of separate accounts and records until the Financing Closing Date, and retention of accounts and records for at least ten (10) years thereafter.	Continuous	Complied and On-going	

9.02.	Submission of annual financial statements within 4 months of the end of each Fiscal Year.	31 October	Not Complied in 2016 Not Complied in 2017 Not Complied in 2018 Not Complied in 2019 Complied in 2020	Submitted on 22 October 2020
9.03. (b)	Submission of final audit report and management letter within six (6) months of the end of each Fiscal Year.	31 December of each year	Delayed Compliance	2015 audit report - Jan 2016 2016 audit report - Jan 2017 2017 audit report - Jan 2018 2018 audit report – Jan 2019 2019 audit report – Jan 2020 2020 audit report – Jan 2021
11.01.	Project to be exempted from all import duties, excise taxes and value added tax (VAT) on investment expenditures.	Continuous	Complied	
LTB-28 Feb 2020	Submission of interim financial reports within 45 days after the period end	15 Feb 15 August	Not Complied with	