

## **Sudan**

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### **Integrated Agriculture and Marketing Development Project Supervision Report**

Mission Dates: 20/09/2020 - 09/10/2020

Document Date: 11/11/2020

Project No. 2000001517

Report No. 5539-SD

Near East, North Africa and Europe Division  
Programme Management Department



## Abbreviations and Acronyms

<b>ARC</b>	Agricultural Research Centre
<b>AS</b>	Accounting Software
<b>ASSCO</b>	Arab Sudanese Seed Company
<b>AWPB</b>	Annual Work Plan & Budget
<b>CCU</b>	Central Coordination Unit
<b>DAP</b>	Di-Ammonium Phosphate
<b>FAAB</b>	Farming as a Business
<b>FM</b>	Financial Management
<b>FPA</b>	Farmer Producer Association
<b>FS</b>	Financial Statements
<b>FSCC</b>	Final Solution Computer Centre
<b>GALS</b>	Gender Action Learning System
<b>GAP</b>	Good Agriculture Practices
<b>GAPA</b>	Gum Arabic Producers Association
<b>GoS</b>	Government of Sudan
<b>IAMDP</b>	Integrated Agricultural and Marketing Development Project
<b>IFAD</b>	International Fund for Agricultural Development
<b>IFS</b>	Interim Financial Statements
<b>ISCGF</b>	Innovation Scale-up Challenge Grant Facility
<b>LET</b>	Locality Extension Team
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MFI</b>	Micro-Finance Institution
<b>MoAF</b>	Ministry of Agriculture and Forestry
<b>MoARF</b>	Ministry of Animal Resources and Fisheries
<b>MoFEP</b>	Ministry of Finance and Economic Planning
<b>MSP</b>	Mechanized Service Provider
<b>NAC</b>	National Audit Chamber
<b>NEN</b>	Near East, North Africa and Europe
<b>NORAD</b>	Norwegian Agency for Development Cooperation
<b>PCU</b>	Project Coordination Unit
<b>PSC</b>	Private Sector Company
<b>RIMS</b>	Results and Impact Management System
<b>SAGA</b>	Sudan Agrochemical Association
<b>SBCC</b>	Social and Behaviour Change Communication
<b>SDG</b>	Sudanese Pound
<b>SDP</b>	Seeds Development Project
<b>SECAP</b>	Social Environmental and Climate Assessment Procedures
<b>SOE</b>	Statement of Expenditure
<b>SPIU</b>	State Project Implementation Unit
<b>SSP</b>	Spray Service Provider

**SUSTAIN** Supporting Small-scale Traditional Rain-fed Producers in Sinner State

**TA** Technical Assistance

**TC** Technical Committee

**VAT** Value Added Tax

**VSCG** Village Savings and Credit Group

**WA** Withdrawal Application

## A. Project Overview

Region:	Near East, North Africa and Europe Division	Project at Risk Status:	Not at risk
Country:	Sudan	Environmental and Social Category:	B
Project Name:	Integrated Agriculture and Marketing Development Project	Climate Risk Classification:	2
Project ID:	2000001517	Executing Institution:	Ministry of Agriculture, Animal Wealth and Irrig.
Project Type:	Credit and Financial Services	Implementing Institutions:	Ministry of Agriculture, Animal Wealth and Irrig.
CPM:	Tarek Ahmed		
Project Director:	not available yet		
Project Area:	13 Localities in Sinnar, North Kordofan, South Kordofan, and West Kordofan States		

Approval Date:	11/12/2017	Last audit receipt:	12/10/2020
Signing Date:	20/02/2018	Date of Last SIS Mission:	09/10/2020
Entry into Force Date:	15/02/2018	Number of SIS Missions:	2
Available for Disbursement Date:	15/07/2018	Number of extensions:	0
First Disbursement Date:	11/09/2018	Effectiveness lag:	2 months
MTR Date:	not available yet		
Original Completion Date:	31/03/2024		
Current Completion Date:	31/03/2024		
Financial Closure:	not available yet		

### Project total financing

<b>IFAD Financing breakdown</b>	Debt Sustainability Framework	\$26,017,000
	Rural Poor Stimulus Facility	\$747,695
<b>Domestic Financing breakdown</b>	Private sector local	\$10,203,000
	National Government	\$8,779,000
	Beneficiaries	\$2,515,000
<b>Co-financing breakdown,</b>		
<b>Project total financing:</b>		\$48,261,695

### Current Mission

Mission Dates:	20/09/2020 - 09/10/2020
Days in the field:	12

Mission composition: Mr Tarek Ahmed, Country Director and Mission Leader; Mr Ahmed Subahi, Country Programme Officer, NEN, IFAD; Mr Shakib Mbabaali, Project Management/Institutions Consultant/Lead writer; Mr Rabie Adelatif Mohamed, Agribusiness and Private Sector Specialist; Mr Swandip Sinha, Rural Finance Specialist; Mr Mohamed Abdel-Latif, Procurement Specialist; Ms Sondes Tlili, Financial Management Specialist; Ms Federica Emma, Social Inclusion Specialist; and Mr Cornelius Chiduzo, Agronomist and Climate Change Specialist. The Government of Sudan was represented by: Ms Fatima Osman and Ms Zenab Elnour Awad from the Ministry of Finance and Economic Planning (MoFEP); Mr Abuelgasim Jaffar Abdalla (CCU); Amiena Khalil Awad and Mr Tarig Osman Fadul from the Ministry of Agriculture and Natural Resources; Mr Osman Adam Mahamoud from the Ministry of Animal Resources and Fisheries and Badawi Tehmat from NISS.

Field sites visited: 13 Localities in Sinnar, North Kordofan, South Kordofan, and West Kordofan States

## B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		4.45	Assessment of the Overall Implementation Performance		4.07

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

<b>Sustainability and Scaling-up</b>	<b>4</b>	<b>Financial Management and Execution</b>	<b>4</b>
Institutions and Policy Engagement	4	Acceptable Disbursement Rate	3
Partnership-building	5	Quality of Financial Management	4
Human and Social Capital and Empowerment	4	Quality and Timeliness of Audit	
Quality of Project Target Group Engagement and Feedback	4	Counterparts Funds	5
Responsiveness of Service Providers	4	Compliance with Loan Covenants	4
Environment and Natural Resource Management	5	Procurement	3
Exit Strategy			
Potential for Scaling-up			

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

### Background and Main Objective of the Mission

IFAD and GoS fielded a second joint Supervision Mission to the country during the period 2<sup>nd</sup> September – 9<sup>th</sup> October 2020 for IAMDP; the first supervision was undertaken during the period August-September 2019. Given the Corona Virus pandemic that prevailed at the time of the Mission, it was undertaken within the framework of IFAD's Guidance note for Remote Supervision under COVID-19 crisis. The objectives of the Mission were to: a) review both the technical and fiduciary aspects of IAMDP; b) review implementation progress (by component) against the 2020 Annual Work Plan and Budget (AWPB) and Procurement Plan (PP) targets and reflect on priority areas; c) assess the progress made by the project in implementation of the first Supervision Mission's (August 2019) recommendations and agreed actions; d) provide clear guidance on how the project improves its performance to satisfy its development objectives; e) review and ensure compliance with IFAD's targeting policy and analysis of gender-disaggregated data and, where required, provide assistance to facilitate compliance; f) review the Project Coordination Unit's (PCU) and the State Project Implementation Units' (SPIUs) financial and accounting systems, audit arrangements and the preparation and submission of financial and audit reports. Provide assistance in addressing any existent limiting factors; and g) review compliance with covenants of the Financing Agreement and discuss with the Recipient on non-compliance or delay and propose remedial actions. Particular attention was given to aspects related to disbursement and utilization of funds, business development and rural finance.

The prevailing COVID-19 conditions and IFAD's Guidance note for Remote Supervision meant that all the international members of the Supervision Mission team did not travel to Sudan. But the local Mission members interacted with different stakeholders that included representatives from MoANR), Ministry of Finance and Economic Planning (MoFEP)), Directors General of the Ministries of Production and Economic Resources of the states visited, Administrators of the localities visited, staff of the PCU and SPIUs, selected beneficiaries and representatives of some of the private sector stakeholders. During the period 24<sup>th</sup> September – 5<sup>th</sup> October 2020, the Mission undertook field visits to selected localities in all four participating states. The focus of the Mission's field visits was on assessing field implementation progress, including assessing the quality of the activities implemented, thus far, interaction with the Local Extension Team (LET) members, representatives of some service providers and selected beneficiaries.

A virtual pre-wrap up meeting was held on 6<sup>th</sup> October 2020 with the PCU and SPIU staff, and the participating States' Directors General (DGs) of Production and Economic Resources. The purpose of this meeting was twofold: a) to discuss the Mission's observations, conclusions and recommendations with the PCU and SPIU staff and other stakeholders; and b) to agree on the key actions and the associated timeframe. A virtual final wrap-up meeting was held on 11<sup>th</sup> October 2020. The meeting discussed and agreed on the final Mission's conclusions, recommendations and agreed actions. The Mission would like to express its appreciation to: a) GoS for the hospitalities and courtesies extended; b) the PCU and SPIU staff for their facilitation and contributions to the Mission's outputs; and c) the communities visited for the warm reception and participation in the different dialogues.

### Key Mission Agreements and Conclusions

*A Combination of Factors had a Negative Impact on IAMDP Implementation*– The Mission took note of the following factors/situations that unfolded in 2020 and had a negative impact on the pace of the 2020 AWPB activity implementation and the associated execution rate of the budget. Such factors included: a) COVID-19 challenges which meant that the Project had to restrict/suspend implementation of some activities; b) heavy rains in Sinnar State that made accessibility of project area and fields difficult for a period of 4-6 weeks; c) price inflation and the unstable exchange rate between the Sudanese Pound (SDG) and the major currencies affected the procurement of goods and services; d) other challenges in engagement of Mechanised Service Providers (MSPs) included shortage of fuel and the cost ineffectiveness of dealing with the scattered nature of beneficiary fields.

*Salary Disparity between Staff of the different IFAD-Supported Projects in the Country*– This issue was raised by the Supervision Mission in 2019 but is yet to be resolved and has started to contribute to staff turnover; one of the project staff resigned another has given notice of intention to resign. Fortunately, MoFEP has constituted a high level committee to look into the issue. The committee has reportedly completed its work and submitted the report of its findings and recommendations to the MoFEP Minister. The Mission would like to reiterate the urgent need for the MoFEP to approve and apply the salary scale as soon as possible.

*Producing for Niche Markets* – AFRI-CORP has increased the number of small-scale farmers contracted for organic groundnut production. The Project should assess organic production as a potentially important market niche and, after analysis of market size and requirements, may consider incorporating organic farming concepts in the production, marketing, and capacity building components.

*Explore Opportunity for No-Till*– Due to limited access to tillage services, some farmers have opted for No-till. IAMDP should seek to understand the performance of these farmers by undertaking a cost-benefit analysis. If found favourable, the practice should be promoted given its environmental friendliness.

*Explore Strategy to Establish Reliable and Sustainable Provision of Mechanical Services*– Thus far in IAMDP implementation, the provision of mechanised services has neither been adequate nor timely. The Project should, in consultation with key stakeholders, review current MSP modalities, learn lessons and design an improved strategy capable of delivering good quality services and able to respond to and solve technical glitches in equipment operation



noted on sandy soils in relation to sesame and, to a lesser extent, groundnuts.

*Adopt a Cluster Approach and Use Broader Communication Strategies to Reach More Farmers*– IAMDP has relied on demonstrations to promote technologies that increase productivity to farmers. The project needs to expose more farmers to improved technologies than it is currently doing if it is to meet targets established for the PDR for increased income and production. The mission recommends that the project revises the 4-year sequence described in the paragraph on ‘*Sequencing of Activities*’ and adopts a cluster approach in which 10-15 villages would be clustered around one project village. Farmers in cluster villages would be exposed to innovation and on-farm demonstrations in the project village, increasing numbers exposed to new technologies and opportunity for adoption (additional information is provided in Appendix 4, III. a)). Also, the Project needs to intensify the use of mass media and digital strategies to reach more farmers in satellite villages around Project villages to expand demand for services that can allow more business for the local private sector.

## D. Overview and Project Progress

**Component 1: Enhanced Crop Productivity and Production**– Lessons learnt in 2019 have been used to improve implementation of this component in 2020. Targeted communities increased from 46 in 2019 to 96 in 2020 with a resultant increase in all other activities under this component. There are also positive trends emerging with regard to increased farmer interest in adopting technologies shown to work; this is evidenced by the adoption and upscaling of chiselling, use of improved seeds and the concept of the Jubraka.

*Sequencing of Activities*– As per the recommendation of the previous Mission, IAMDP adopted a four-year sequence to move participating communities from mobilisation to graduation. The four-year sequence adopted by the Project risks missing the target in terms of up scaling adoption of improved technologies based on progress to date. A change in approach is required to make more effective use of on-farm demonstrations and avoid making demonstrations the focus of the Project. It is, therefore, recommended that the Project adopts a cluster approach (e.g. 10-15 villages clustered around 1 demonstration village). Farmers in non-implementing villages in the cluster will be exposed to the demonstrations using a variety of strategies, including field days (these may be held over several days to accommodate farmers from different villages), mass media and digital technology. The cluster approach will be used for provision of services by the local private sector (MSP/SSP/Agro-dealers). This option offers better business opportunities for the local private sector. Building of the private sector and linkage to MFIs will be key to successful upscaling. They should be able to offer adequate and quality services in a timely manner as farmer demand grows. Adopting farmers will be used as demonstration for follower farmer groups to lessen the burden on the Project to demonstrate and to enhance scaling up.

*Engagement with National Private Sector Companies (PSCs)*– The project signed Memoranda of Understanding (MoUs) with five PSCs (Nectar Group, Nile Sun, Wad Bagoi, Arab Sudanese Seed Company (ASSCO) and Central Training Company (CTC)) to supply technologies that included: a) improved sorghum, cowpea and pigeon pea varieties; b) hybrid sorghum; c) seed dressing; d) granular and foliar fertilisers; and e) pre- and post-emergence herbicides. The PSCs participated in problem identification and solutions with farmers in the field leading to design of innovation demonstrations.

*Innovation Demonstrations*– The PSCs supplied inputs for 13 sites in 3 project localities to plant on 174 feddans (about 73 hectares (ha)<sup>[1]</sup>), a 59% achievement owing to challenges of securing MSPs to provide tillage services. There is still inconsistent implementation of innovation demonstrations with regard to site selection, layout and labelling of plots, absence of control treatments that represent farmer practice and selection of contact farmers able to effectively communicate with interested visitors. Innovation demonstration in Elbanboon Village, Aba Zahad locality in West Kordofan exemplified the correct approach which should be followed.

*On-farm Demonstrations*– Based on the above referenced sequencing of activities, the Project is working with 50 communities in the awareness phase and 46 in the demonstration phase. But the activity was impacted by the COVID-19 restrictions. Nonetheless, demonstrations were hosted by 818 farmers (52% female and 39% youth) on 3,307 feddans (about 1,389 ha) planted to sorghum (41%), groundnut (33%) and sesame (26%). Training Locality Extension Teams (LETs) and farmers in good agronomic practices in production of target crops is one factor that should be emphasised. Specialist services to solve mechanical issues of using pneumatic planter with sesame and groundnut should be procured. Presence of control plots is essential when implementing demonstrations to allow farmer comparison with traditional practice.

There is some evidence of up-scaling. For example, in Sinnar, farmers have implemented 1,534 feddans (about 644 ha) with own funding and 2,847 feddans (about 1,196 ha) with MFIs funding. With regard to yields, the improved package showed a 67% sorghum yield improvement, 29% for groundnut and 5% for sesame. The improved package did not do as well in South and West Kordofan where groundnut yields were lower by 30% and 5% respectively compared to the traditional practice. The data indicates need for better geographic targeting of agronomic management of target crops.

*MSP/SSP/Agro-dealer Capacity Building and Engagement*– Contracting of MSPs for the provision of continuous service has continued to be a problem with an achievement of 88%, mainly for primary tillage. Service was provided to 841 farmers (401 males and 440F) on an area of 4,207 feddans (about 1,767 ha). Delays in provision of tillage service compromises farmer ability to fully utilise the rainfall season and reduces yield and income. There is little interest in providing successive services, such as planting, spraying and harvesting; all of these services are components of the improved package promoted by the Project. Due to the COVID-19-related interruptions, training was delayed, sessions reduced and, when offered, was on-the job during land preparation.

The insufficient availability of the machinery and equipment needed to provide the Project promoted machinery services to smallholders remains a bottleneck. Unfortunately, in trying to address this issue, the Project itself has become a major

actor in the MSP value chain. IAMDP purchased some of the needed equipment and rented them to the MSPs. Thereafter, IAMDP contracted the same MSPs to provide machinery services to the demonstration farmers at a 30% higher service charge compared to the market rate. This practice is not sustainable. IAMDP should consider transferring the equipment to existing or new agricultural service centres as start-up capital against appropriate business plans that specify suitable operations and maintenance plans for the equipment (additional information is provided in Appendix 4, III. b)). The IAMDP MoU with Partner Financial Institutions (PFIs) should include their commitment to support MSPs to acquire the necessary equipment.

Spray Service Providers (SSPs) numbering 101 were trained and supplied with sprayers and protective clothing but only 88 were contracted. They served 449 farmers (267 males and 182 females) in 29 villages, treating 1,342 feddans (about 564 ha) with 819 l of pre-and post-emergence herbicides. Certification has been deferred due to ongoing organisational issues in the Sudan Agrochemical Association (SAGA). None of the planned activities targeting agro-dealer capacity building was implemented. Given the key role that this group plays in supplying inputs, it is important that urgent steps be taken to build their capacity.

*Jubra* – Project targeted 1,504 women in 92 communities with improved crop seeds, fertilisers, kurat plough, plastic sheeting and training. Model jubrakas, with brick water tanks for supplementary irrigation, wire fencing and drip irrigation were installed to demonstrate intensification of production. Value addition activities included training women in solar drying of vegetables for off-season consumption but achievement for the activity was only 32%. Training activities had an achievement of 41% and were negatively impacted by COVID-19 restrictions. Banat and Eltibna Hssan Villages in Sheikan and Rahad localities provide evidence of jubraka upscaling with increases of 47% and 131%, respectively, compared to 2019.

*Agroforestry* – A baseline of 39 communities was completed to highlight areas of intervention in improving gum Arabic productivity and quality. A total of 170,409 tree seedlings were produced with the participation of 1,722 beneficiaries (1,063 males and 659 females). A total of 142,475 seedlings were planted in 45 communities on an area of 3,210 feddans (about 1,348 ha) and 68.3 km of tree belts by 1,573 beneficiaries (965 males and 608 females). The low seedling survival rates suggest the need for more care to get value for money in this activity.

**Component 2: Market Linkage and Value Addition** – The component focuses on three main areas of intervention: a) physical market access (*wadi* crossings); b) storage facilities development; and c) market linkages and value addition (village-level). Overall, there is a delay in implementation of the foreseen activities although some progress is being made in certain specific areas. However, one of the key activities that needs to be initiated soon, in this regard, is the Innovation Scale-up Challenge Grant (ISCG) as it may involve lengthily procurement and construction processes. This matching grant opportunity will encourage seed, machinery, marketing and value addition companies to provide their services to target and other communities.

*Physical Market Access/Wadi Crossings* – Although the plan was to construct 7 wadi crossings, COVID-19 restrictions led to a carryover of those activities to 2021. However, a survey was commissioned to identify the construction sites using a set of criteria; a total of 7 sites were selected (3 in North Kordofan and 4 in South Kordofan). Next step is for technical specifications and Bill of Quantities (BoQ). On the other hand, two wadi crossings were rehabilitated in Sinnar State; these were constructed by the SUSTAIN project.

*Storage Facilities Development* – A total of eight model stores (2 stores in each state) are to be constructed under a matching grant arrangement (80% of costs to be paid by the Project and 20% by the beneficiary Producers Associations (PAs)); the PAs will own and operate the storage facilities. A rapid storage assessment was undertaken to identify the current situation of storage in project area. This was followed by a survey of 9 communities to identify and select the sites. Technical specifications, detailed drawings, BoQ and estimated costs have been prepared and the next step of a bidding process for the construction is expected to be initiated by end of October 2020.

*Market Linkages and Value Addition* – Since the previous Mission, the Project has embarked on a process to generate information, through studies, to inform decisions needed to appropriately address the existent problems; the plan is to commission a total of six marketing studies for that purpose: a) Dynamic pricing; b) Storage financing; c) Mobile groundnut shelling; d) Unrefined oil/seedcake; e) Gum Arabic grading and packing; and f) Improving smallholder access to wholesale and auction markets. Terms of Reference (ToRs) for all studies were developed but the recruitment process was hampered by the COVID-19 restrictions.

*Rehabilitation of Existing Market* – A feasibility study of an existing crop and Gum Arabica market in Wad-al-Nayal in Sinnar state was undertaken. The findings are to be presented at a stakeholders' workshop, to be held in Singa, in October 2020.

**Component 3: Enabling Environment** – The expected outcome is improved smallholder access to finance, a higher level of smallholder business competency, and strong, active farmer producer associations that will go beyond receiving Project support. The paragraphs that follow give a summary of implementation progress.

*Rural Finance Specialist* – The position of the rural finance specialist in the PCU is still vacant; this has affected the overall pace of implementation of this subcomponent. The shortage of qualified rural finance specialists in Sudan and the project salary (perceived as low by potential applicants) affected the recruitment process. Encouragingly, the PCU has selected a candidate after the latest interviews and the person is expected to join before the end of the year. Meanwhile, the PCU hired a national rural finance consultant (Mar–Dec 2020) to support the rural finance activities.

*Crop Pre-financing/Contract Farming* – Contract farming seeks to achieve two objectives: a) avail target farmers with a ready market before producing; and b) enable farmers to access pre-financing opportunities for inputs. The Project facilitated contract farming linkages for 341 farmers (44% of AWPB target, 268 males and 73 females) in 3 communities in North Kordofan. The companies have pre-financed the farmers with improved seeds, inspection costs, land preparation, sowing, weed control and harvesting. Africrop will purchase the produce at 5% premium over the auction price. The IAMDP MoU with the PFIs should include their partnerships with agribusiness PSCs (Africorp and others) and producers

focusing on expanding the outreach of grain marketing linkages for all project supported crops. *Village Savings and Credit Groups (VSCGs)*– IAMDP supports savings activities in 241 VSCGs (44% newly formed) with 4,048 members (85% women); interest in VSCGs by men is increasing. These groups have mobilised SDG 0.9 million as internal savings and to overcome the impact of high inflation, many groups have started investing group savings in collective agricultural activities instead of providing individual loans. The Project will explore the development of enterprise oriented VSCGs into Farmer Producer Associations (FPAs).

*Partnership with MFIs* – The absence of the rural finance expert has delayed the selection of PFIs. The process was revived with the support of the rural finance consultant. The project received nine expressions of interest (EoI) from potential PFIs of which the top three MFIs (ABSUMI, Baraah and Ebdaa) submitted detailed business plans. Currently, MoUs are being prepared to formalise the partnership with the selected MFIs. Meanwhile, three MFIs (ABSUMI, Ebdaa and SRDC) have already provided seasonal loans amounting to SDG 7.9 million to 602 farmers (77% of AWPB target) in 44 VSCGs in 35 villages. The loans are used for inputs with durations ranging from 5 to 8 months and follow a mix of Murabaha, mugwala and salem lending methodologies. The Project should explore ways of providing financial support to technology adopter smallholders in the non-Project villages surrounding the demonstration villages.

*Farming as a Business (FAAB) Training* – IAMDP has delayed the start of FAAB training due to COVID-19 restrictions. Most of the SPIU and LET team members still have an insufficient understanding of FAAB. Similarly, farmers’ capacity to evaluate technologies and marketing actions continues to be weak. The national FAAB consultant has developed the training manual and prepared the FAAB training curriculum for FPAs. The training curriculum for MSPs is awaiting finalisation. IAMDP has distributed farmers’ diaries to 2,007 smallholders; it intends to start and complete the planned FAAB training during the last quarter of 2020. Project reports should present case studies on how FAAB training and the use of farmers notebooks helped farmers take more profitable agricultural production and marketing decisions.

*FPA Mobilisation and Strengthening* – There is negligible progress against the AWPB target of registering and strengthening 123 FPAs due to COVID 19 restrictions. The continuing absence of community-level FPAs to support Project sustainability and its smooth exit, is a major concern. The Sinnar SPIU has surveyed and noted that 91% of the 415 producers’ organisations in the Project area are involved in livestock production activities. The PCU is in the process of hiring a community development national consultant to lead the survey, screening and strengthening of potential FPAs. The mission recommends that all the SPIUs should conduct a rapid preliminary survey to identify the potential FPAs in their areas, including pre-screening the active enterprise-oriented VSCGs and Village Development Committees (VDCs) developed by previous IFAD projects.

Baraah in South Kordofan and Al Garrah in North Kordofan already exist as community-owned, apex level, multipurpose development organisations established by previous IFAD projects. Currently, these institutions provide microfinance services only under license from the Central Bank. IAMDP, with the support of the community development consultant, should assess the feasibility of supporting these institutions to diversify their activities to include smallholder agricultural production and marketing activities, given the limited project time and resources remaining.

[1]1 feddan is about 0.42 hectares.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Project-owned Machinery and Equipment</b> a) Transfer the project owned machinery and equipment to existing or new agricultural service centres; and b) Consider in-kind contribution of the 30% premium to the focal MSPs in the form of equipment that can be used by the MSP to continue providing the project promoted machinery services in the clusters	PCU Coordinator	12/2020
<b>“One MSP One Cluster” Approach for Efficiency Gains</b> Develop a “one MSP one cluster” approach to enhance demand aggregation and profitability of machinery services.	PCU Coordinator	12/2020
<b>Effective Provision of Mechanised Services</b> Review engagement with MSPs, draw lessons, and agree way forward to improve access to services for the target farmers and on a continuous basis.	PCU Coordinator	01/2021
<b>Efficient Use of Pneumatic Planters</b> Procure experienced tractor mechanical specialists to solve problems encountered with pneumatic planters with the objective of improving sesame and groundnut stands.	PCU Coordinator	01/2021

## E. Project implementation

### a. Development Effectiveness

#### Effectiveness and Developmental Focus

<b>Effectiveness</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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#### Justification of rating

Most of the necessary processes and procedures needed to effectively steer the Project towards the achievement of its development objective are in place. However, implementation progress for the greater part of the March-July 2020 period was largely restricted/suspended owing to COVID-19 challenges and, as such, many of the planned activities were lagging behind by the time of the Mission. With the lifting of most of the restrictions, indications are that the pace of activity implementation will likely accelerate for the rest of 2020 thereby recovering part of the lost implementation time.

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

The Project is making good progress towards achieving set targets although, as already mentioned, implementation of the 2020 AWPB has faced a number of challenges, as detailed under Section C, Subsection on 'Key Mission Agreements and Conclusions'. Nonetheless, the Project made progress in certain areas; a highlight of some such areas is provided here but details are contained in the Logical Framework which is attached to this report.

IAMDP managed to reach 40,213 people; about 90% of the annual target outreach. Cumulatively, the Project has, thus far, reached a total of 95,015 people, representing about 60% of the Appraisal target. The Project has been able to extend Project coverage to an additional 7 old villages (100% of the annual plan) and 16 new villages (100% achievement). Cumulatively, IAMDP has been implemented in 42 old villages (67% of the Appraisal target) and 54 new villages (82% of the Appraisal target). However, IAMDP has not made good progress with regard to supporting village service providers and agro-dealers; none of the 10 service providers/agro-dealers targeted for the year was reached. This was attributed to the COVID-19-related interruptions.

On the other hand, 841 farmers were trained in production practices and/or technologies (437 females and 404 males); this was about 87% of the annual target. The cumulative total is 1,639 farmers, representing about 6% of the Appraisal target. In order to overcome some of the challenges experienced thus far in this regard, the Mission has made a recommendation related to 'Sequencing of Activities'.

With regard to wadi crossings, a total of 2 were rehabilitated in Sinnar State, representing an annual achievement of 50%. For rural Producers' Organizations (POs) engaged in formal partnerships/agreements or contracts with public or private entities, the annual plan was to have 4 POs formalise their partnerships but 3 POs (75% of the target) were able to achieve that feat. The cumulative total of 5 POs is only 4% of the Appraisal report. As for the Producers' Associations, none of the annual target of 25 were registered/strengthened although activities are underway to undertake a survey that would screen and identify potential associations for registering and strengthening. While the 2020 challenges have contributed to greatly set back interventions in this area, it is important that particular emphasis is put on establishing/strengthening/registering these community-level organisations; they are key to ensuring Project sustainability and its smooth exit.

#### Development Focus

<b>Targeting and Outreach</b>	<b>Rating: 5</b>	<b>Previous rating: 5</b>
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#### Justification of rating

The Project is implementing the design targeting strategy. Following the geographical targeting criteria as laid down in the project design report, 49 villages were mobilized in 2020 (51% annual target). The mobilization of the remaining communities will be carried out immediately after the wet season. The community mobilization campaigns included: focus group discussions, interviews, meetings and interaction with communities through PRA tools. During the current year of implementation, the project relied on a self-targeting mechanism to update community profiles and select community members to participate in on-farm and innovation demonstrations, selection of contact farmers, identification of service providers, community trainers and business development agents.

#### Main issues

The Project targets the poorest communities that are determined based on wealth ranking categories developed at Project inception. According to the wealth ranking provided to the Mission members, the percentage of (very poor, poor + medium) was 90%. Based on the information provided, the project is reaching out to the rural poor living in extreme poverty as per the design report. It should, however, be noted that the Mission was not able to verify this in the field due to the remote nature of the Mission.

The Project has in some cases exceeded its 50% women and 30% youth target: a) on-farm demonstration with women accounting for 52% (440) and youth 39% (182 female youth and 145 male youth, with an average age of 29) of total participants; b) VSCGs with women accounting for 86% (3,741) of total members. As for the remaining Project activities, women inclusion showed a performance which was slightly below the minimum threshold: a) women accounted for 47% (39) of farmers selected for the innovation demonstrations and for 38% of beneficiaries involved in agro-forestry activities (central nurseries, community nurseries, and home nurseries). Lastly, only 606 women (38%) received tree seedlings to be planted in their own land and/or on-farm demonstrations. On the other hand, young people involved in innovation demonstrations accounted for 62% of the total participants (32 female youth and 27 female youth, with an average age of 28). This confirms that the Project is paying particular attention to women and youth as per the design report.

Women are at the heart of the *jubraka* demonstrations and IAMDP targeting strategy is currently focused on women for the formation of Village Savings and Loans Groups (VSCGs). As at August 2020, IAMDP formed 107 new VSCGs in addition to the existing 134 VSCGs, bringing the total number to 241. Though Gender-disaggregated information is collected, it was not possible to verify how many VSCGs are women-only since data are available only at member level. This will enable better tracking of actual women-only VSCGs for ease of reporting as well as for measuring impact and women inclusion/active participation with respect to the mixed ones.

However, the percentages of young beneficiaries involved in project activities are often not reported in progress reports and log-frame tables. Moreover, the youth mainstreaming has been done in the absence of a specifically structured approach and none of these design components was based on the results of a youth analysis.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<p><b>Gender and Youth Disaggregated Data</b></p> <p>The Project should put in place a system that ensures an accurate monitoring of men's groups, women's groups, and youth's groups (and the mixed ones)</p>	M&E Officer	12/2020
<p><b>Age-disaggregated data</b></p> <p>Put in place a system that captures age-disaggregated data in all Project reports and logical Framework</p>	M&E Officer	12/2020

**Gender equality & women's participation**

**Rating: 5**

**Previous rating: 5**

#### **Justification of rating**

The Gender Action Learning System (GALS) was rolled out in the initial stages of the Project and, accordingly, women are well mainstreamed across Project components. The promotion of women-only groups is contributing to women's empowerment and financial independence. Training sessions are planned cognizant of gender considerations. For example, trainings get aligned with women's daily routine. Women are at the heart of the *jubraka* demonstrations that are informed by a qualitative survey to assess their needs and experiences. Overall, women make about 70% of the Project beneficiaries, thus far; this is partly driven by the female VSCG groups.

#### **Main issues**

Training material on GALS were developed the previous year; the material was used to train LET officers on the methodology. However, due to COVID-19 restrictions, the training was carried out only in West Kordofon. Overall, the Mission established that IAMDP's Community Development and Gender Officer has a good understanding of the GALS methodology. But, due to the remote modality of this Mission, it was difficult to assess the actual effectiveness of GALS interventions so far. The mission urges Project to continue with the implementation of this important methodology ensuring adherence to the main principles of GALS (e.g. household visioning, secure support from leadership, engage with men, establish partnerships, create an action plan with indicators, etc.).

The introduction of gas stoves to save on women's labour and to replace dependency on firewood has not yet taken place. PCU members reported that co-funding arrangements have been developed with NORAD through a grant that will finance gas stove, seedling nurseries, literacy education as well as access to basic services such as sanitation, which are planned to be initiated in 2021.

The Project's focus on youth inclusion is noteworthy. However, where possible, the Project could go the 'extra mile' in order to assure that its activities are aligned with the aspirations and needs of young women and men who make up such a large part of the population of targeted Project areas. For instance, in one of the community visited by some of the Mission members, 70 young people came together into a group and are collectively carrying out activities such as land renting, land preparation, marketing, etc. The youth group is well organized and has an executive committee composed of



10 males and 3 females with well-defined plans on the utilization of the revenue from their farm. However, this group lacks access to finance and access to storage facilities. By listening to their needs and further fine tune the Project's youth strategy, the project could further amplify the impact it has on young men and women.

Areas of action should be identified and analysed in greater depth and activities designed in a way that there is a considerable likelihood that the concerned youth can sustain those activities without external support. The project should carefully cater interventions - in particular training curriculum and financial packages - to the specific needs of young men and women for engagement in specific agricultural livelihood activities. Successful livelihood activities are contingent in meeting all of these requirements.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>GALS' Training</b> Carry out GALS training in all the 4 States and adhere to the principles of GALS by making sure that both men and women are included in future interventions (training facilitators, local champions, etc.)	Community Development and Gender Officer	03/2021
<b>Strategic Approach to Mainstreaming Young Men and Women</b> Ensure that interventions targeting the youth are in line with the specific needs of the young men and women.	Community Development and Gender Officer / Private Sector Specialist/Production Specialist	

**Agricultural Productivity**

**Rating: 4**

**Previous rating: 4**

#### **Justification of rating**

The rating has been left unchanged due to: a) COVID-19 restrictions that limited exposure of farmers to demonstrations and also disrupted capacity building of local private sector; b) MSP services were not available to meet demand; and c) MSPs were not able to offer a continuing service for full testing of the package. However, preparations are in place for the project to take advantage of the gradual easing of the COVID-19 restrictions and improvement is expected by the end of the year.

#### **Main issues**

The Project is yet to take full advantage of SDP and SUSTAIN experiences to scale up and demonstrate improved productivity of target crops. In 2020, implementation of activities was disrupted by COVID-19 restrictions and a challenging economic environment. Run-away inflation and unfavourable exchange rate of the SDG resulted in instability in prices of good and services. Fuel supply for operations was low and erratic and at times procured from the black market at exorbitant costs. As a result, key services providers were not willing to sign contracts with the Project. Failure to procure adequate MSP tillage services resulted in under achievement of innovation (59%) and on-farm demonstrations (95%) and contract farming (90%). MSPs main interest was chiselling and disc harrowing and less in successive services; planting, spraying and harvesting, all key components of the improved package. Data from Sinnar demonstrate this, with MSP performance of 48% for the pneumatic planter and 16% for spraying in 2020. Field visits showed inconsistent implementation of demonstrations. In Elbanboon Village, Aba Zahad locality in West Kordofan site selection, field layout, and plot labelling showed good example of conduct of demonstrations. Groundnut and sorghum stands were good whilst sesame stand was low and attributed to poor performance of pneumatic planter, a problem reported in 2019 and still unresolved.

In contrast, in some localities, site selection was inappropriate and lacked a control; this made it difficult for visitors to appreciate treatment effects. Some contact farmers were not fully knowledgeable about materials in demonstration. Follow-up by PSC representatives was absent but is needed for technical back up to LETs. Few exposure visits and field days were organised for valid reasons and when conducted, attendance was lower than expected.

A 2019 review of on-farm demonstrations highlights some positives as well as challenges to secure productivity gains. The improved package showed a 67% sorghum yield improvement, 29% for groundnut and 5% for sesame. Biggest gain in groundnut yield of 34% was realised in Sinnar, whilst in South and West Kordofan, the improved package performed lower by 30% and 5%, respectively, compared to the traditional practice. In part, this was explained by lower plant population with improved package compared to the traditional practice. Advantage of the package with sesame is also varied, +40% and +48% in West Kordofan and Sinnar, respectively, whilst this was smaller at +4% and +12% in North and South Kordofan, respectively.

There is willingness to adopt improved technologies by farmers but more needs to be done to ensure targeted farmers continue with improved practices in subsequent seasons after Project stops funding demonstrations. In Sinnar, scaling up

was 290% in area chiselled and planted mechanically but is in comparison to Project funding of 1,513 feddans of on-farm demonstration in 2020 and not baseline figures of traditional practice nor is it clear with regard to numbers adopting. The Project strategy relied, thus, on demonstrations to facilitate adoption and upscaling and in so doing departed from the design of IADMP as a scale up project of SDP and SUSTAIN. Change in communication strategy and focus on building local private sector capacity and linking farmers to markets is required. Clearly, MSPs are a weak link whilst agro-dealer capacity is still untested. The jubraka has continued to show increases in productivity and evidence of up scaling. In Banat and Eltibna Hssan Villages in Sheikan and Rahad localities, jubrakas increased by 47% and 131%, respectively, compared to 2019. Improved jubrakas are being demonstrated to improve productivity and minimise risk of dry spells in the season.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Innovation and On-farm Demonstrations</b> Produce guidelines for site and farmer selection and layout of innovation and on-farm demonstrations.	Crop Production Specialist, PCU	12/2020
<b>Capacity Building of PSIU and LET Staff</b> Train PSIU and LET staff in best management practices for target crops and implementation of demonstrations.	Crop Production Specialist, PCU	02/2021

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

#### Justification of rating

55. Crops produced in the Jubraka support the overall food and nutrition security of targeted households; they also contribute to increasing the households' incomes which is invested in meeting the domestic requirements (education of the children and health services). While the focus is on home consumption, some women sell some of the surplus production on the local markets. Some processing is being promoted to increase the shelf-life of these crops making them available for home consumption or sale all year round. In addition, the project rolled out a training on good nutrition practises. But, some women report that water scarcity prevents them from diversifying into some certain crops. However, due to COVID-19 restrictions, nutrition training was only rolled out in one state.

#### Main issues

According to IAMDP design, activities aimed at facilitating the achievement of nutrition outcomes were introduced as stand-alone interventions (focusing mainly on the establishment of Jubrakas and increased homebased food production); these were not harmonized into a coherent nutrition strategy at design. The assumption was that increased production and income would translate into improved nutrition; this is not always the case. The project currently needs to have a nutrition assessment and develop a strategy. The strategy should seek to orient households' investments towards improved diets and should include activities such as nutrition education, Social and Behaviour Change Communication (SBCC), etc. that were not envisaged at design as well as multi-stakeholder coordination for nutrition. In this regard, the grant funded through the Norwegian Agency for Development Cooperation (NORAD) supplementary funds will be strategic to complement increased production in the home gardens with other nutrition-sensitive interventions.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Nutrition Trainings</b> Carry out Nutrition training in all the 4 Project States	Community Development and Gender Officer	03/2021

**Adaptation to Climate Change** **Rating: 5** **Previous rating: 5**

#### Justification of rating

Climate change features include: a) establishment of two climate resilient wadi crossings; b) climate risk assessment done in last quarter of 2019 and international climate change consultant recruited in 2020; c) tillage techniques that encourage rainfall infiltration, water harvesting and conservation; d) promotion of short season drought resistant crops; e) agroforestry practices promoting planting of diverse tree species; f) training households to produce and cultivate hashab seedlings to increase vegetated area; g) training youths to make sand bricks to reduce tree cutting for building houses; h) cultivating hashab as belts around demonstrations as wind breaks; i) roof water harvesting for Jubraka supplementary irrigation; j) wire fencing of Jubraka to reduce use of brush wood.

## Main issues

The climate risk analysis conducted in November 2019 identified challenges and hazards to be addressed by the Project. An International Climate Change consultant assisted develop plans to respond, adapt and mitigate climate change. The Project has adopted measures to improve resilience of cropping systems to climate change. These include tillage practices that promote higher infiltration and moisture conservation, high yielding short season crop and vegetable varieties, improvements in soil fertility through fertiliser micro-dose and nitrogen fixing agroforestry trees, efficient weed control through combination of agronomic practices and herbicide use, all aimed at maximising water use efficiency.

Farmers testify that crops grown in fields treated with chisels are better able to withstand dry spells. In 2019, on-farm demonstrations with these technologies showed 67% yield advantage of improved sorghum over the traditional sorghum system. Intensification removes larger amounts of carbon from the atmosphere and mitigates climate change. This is generally a true picture for all three Project target crops. In 2020, some farmers who could not secure tillage services from MSPs opted to use the No-Till option. Though unsubstantiated, some of these appear to have preferred this option for environmental reasons to do with concerns of degraded soil fertility arising from continuous ploughing. No-Till minimises Green-House Gas (GHG) emissions and mitigates climate change. Similarly, organic groundnut production supported by AFRI-CORP is more environmentally friendly as less GHG are emitted into the atmosphere.

Agroforestry is being used by the Project as a solution for dual climate and food security challenges. In 2020, 170,409 tree seedlings were produced using 10 central, 2 community and 229 home nurseries with participation of 1,722 beneficiaries (1,063 males and 659 females). Hashab (*Acacia senegal*) constituted 88% of seedlings, Guddim (*Grewia tenax*) (6%) and fruit and ornamentals (4%). A total of 142,475 seedlings were planted in 45 communities on an area of 3,210 feddans and 68.3 km of tree belts by 1,573 beneficiaries (965 males and 608 females). Project is targeting distributing 400 hashab trees per farmer for pure hashab on an area of 2.5 feddan but a clearer strategy and targeting must be put in place. With mortality rate of about 50%, final population of 200 trees/2.5 feddan/farmer is expected and should provide 600 kg of gum/year with optimum production. Baseline survey conducted indicated ownership of pure hashab trees ranging between 40 and 87 per farmer on an area ranging between 9.1 and 18.3 feddans. This implies more scope to improve area under hashab with individual farmer adoption and Project strategy must purposefully build that capacity.

Trees mitigate climate change by capturing carbon from the atmosphere and storing it in biomass and soil. Hashab trees fix nitrogen which they can provide to intercrops, such as sesame, but the project is yet to demonstrate this positive impact. Some tree species planted, for example *Ziziphus spina-christi*, *Adansonia digitate*, and *Grewia tenax* provide fruits that improve household nutrition. Making sand bricks and using wire mesh to fence Jubrakas help conserve trees. Improvements made to the Jubraka include water harvesting and drip irrigation for supplementary watering during dry spells and for out of season production. This assists in building resilience of the system to climate shocks, such as long dry spells. According to farmer testimony, Jubrakas provide food during the lean period before field crops mature. Value addition through drying of vegetables extends supply into dry season for home consumption and local sales.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Market for Organic Produce</b> Assess organic production as a potentially important market niche and, if viable incorporate organic farming concepts in the production, marketing, and capacity building components	Crop Production Specialist	02/2021
<b>No Till as a Potential Technology for Promotion</b> Assess performance of No-Till as used practised by farmers who were not serviced by MSPs. If results are favourable consider its promotion to prioritise timely planting	Crop Production Specialist	02/2021

## b. Sustainability and Scaling up

### Institutions and Policy Engagement

Rating: 4

Previous rating: 4

#### Justification of rating

The Project has proactively identified the policy issues governing the registration and promotion Farmer Producer Associations and Gum Arabic Producers Associations (FPAs/GAPAs). While from a technical point of view these are sensible structures that offer a clear means of farmer association organization and management, they were introduced by the previous regime to replace the older Sudanese Farmers Associations, a move with considerable political implications. The Project management plans to analyse the political situation and provide guidance for how IAMDP will engage with FPAs/GAPAs, or with other types of farmer organizations. However, the slowdown in IAMDP's field activities due to COVID 19 restrictions has delayed the start of the FPA related activities.



## Main issues

Support to farmer organizations is an important part of building sustainable smallholder farmer capacity and the ability for them to interact with suppliers, customers, and financial institutions. Through their organization, smallholders and other resource-poor agricultural producers can work together and have better access to farming inputs, such as seeds, mechanized services, fertilizers and pesticides, access to finance and to aggregate produce to reach larger markets. Farmers are then able to reduce costs and improve their bargaining power.

With the aim to improving their organization and management skills, the project is planning to help smallholder farmers become organized, upgrade their financial and business skills so that they can gain from economies of scale through demand driven collective marketing. The goal is to create farmer organizations that support durable trading relationships. IAMDP will mobilize and support farmers' organizations to become the primary means by which farmers collaborate on individual and joint farming and other business activities.

The Federal Government of Sudan has adopted law on FPAs in 2015 which allows small farmers and producers to register their activity and have the legal identity, thus to enter into an agreement with the private companies or create joint ventures. Through empowering the smallholder farmer's to form any kind of organization or association, the project will contribute to the enforcement of this FPA legislation which also allows for the creation of apex associations, giving the FPAs an organizational vehicle that could transact business at a larger scale, or be an advocate for farmer interests with government at all levels. The Project should work closer with the Inter-Ministerial Steering Committee which has the responsibility of reviewing, commenting on and approving policy recommendations. ...

In a similar vein, the Government is planning to draft a new Plant Breeders' Rights Act, harmonizing the national legislation with the relevant international conventions, contributing to, among others, promote private investments in agri-business sector. The project is encouraged to work and collaborate closely with the National Seed Council to take part of the inclusive law development process and policy reforms.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Farmer Producer Associations and Gum Arabic Producers Associations</b>  Analyse the viability of the FPA/GAPA structures and refine Project engagement with farmer organizations accordingly.	PCU Coordinator	12/2020
<b>Farmer Producer Associations</b>  Work closely with the Inter-Ministerial Steering Committee and the National Seed Council on the policy formulation process for FPAs and the development of new Plant Breeders' Rights Act.	PCU	01/2021

**Partnership-building**

**Rating: 5**

**Previous rating: 4**

## Justification of rating

The Project signed Memoranda of Understanding (MoUs) with five PSCs (Nectar Group, Nile Sun, Wad Bagoi, Arab Sudanese Seed Company (ASSCO) and Central Training Company (CTC)) to supply technologies that included: a) improved sorghum, cowpea and pigeon pea varieties; b) hybrid sorghum; c) seed dressing; d) granular and foliar fertilisers; and e) pre- and post-emergence herbicides. The PSCs participated in problem identification and solutions with farmers in the field leading to design of innovation demonstrations. Also, the Project has continued partnership with Rans, Africorp and ASSCO on contractual groundnut production. Activities related to establishment of partnerships with MFIs were initiated; the Project received nine expressions of interest (EoI) from potential PFIs.

## Main issues

To ensure demonstrations convey the messages PSCs want to send to farmers, they have to be well planned and implemented. This aspect, however, still needs to be improved, especially with regard to site selection, layout and labelling of plots. On a positive note, partnerships related to contract farming reported an increase in the volume of produce, mostly groundnuts for seed and grain for consumption.

In addition, the project signed Memoranda of Understanding (MoUs) with five PSCs (Nectar Group, Nile Sun, Wad Bagoi, Arab Sudanese Seed Company (ASSCO) and Central Training Company (CTC)) to supply technologies that included: a) improved sorghum, cowpea and pigeon pea varieties; b) hybrid sorghum; c) seed dressing; d) granular and foliar fertilisers; and e) pre- and post-emergence herbicides. The PSCs participated in problem identification and solutions with farmers in the field leading to design of innovation demonstrations.

With regard to linkage to financial services, the Project is in the process of facilitating partnerships between the target beneficiaries (individuals/organised groups) and Partner Financial Institutions (PFIs). The project received nine expressions of interest (EoI) from potential PFIs of which the top three MFIs (ABSUMI, Baraah and Ebdaa) submitted detailed business plans. Currently, MoUs are being prepared to formalise the partnership with the selected MFIs. Meanwhile, three MFIs (ABSUMI, Ebdaa and SRDC) have already provided seasonal loans amounting to farmers in 35 villages. It is recommended that the Project expand its collaboration with other MFIs and financial institutions, particularly to provide financial support to technology adopter smallholders in the non-Project villages surrounding the demonstration villages. Meanwhile, the MoU with the formal PFIs should indicate the commitment of the financial partner to: a) support loans for agricultural machinery and equipment; b) grain marketing linkages in collaboration with agribusinesses; c) digital savings products for VSCGs; and d) grain storage and shared musharaka investments with smallholders

Additional information is provided in Appendix 4, Section VI. Partnership Building.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Establishment of Partnerships</b>	Private Sector Specialist.	01/2021
Explore new partnerships with traders and processors.		

**Human and Social Capital and Empowerment**

**Rating: 4**

**Previous rating: 4**

**Justification of rating**

Project staff are being trained on gender issues, private sector engagement, rural finance and agricultural sector mechanisation. In turn, they are passing on that information to the target beneficiaries. Target communities have been trained variously in those areas that have identified as necessary to improve community members' active participation in different Project activities.

**Main issues**

Capacity building of the target beneficiaries and their associations/organisations is a major focus of the Project. Some of that training has started to take place but arrangements are underway to develop curricula and training programmes for the more intensive and structured interventions in that area. All three technical components have planned capacity building activities.

**Quality of Project Target Group Engagement and Feedback**

**Rating: 4**

**Justification of rating**

Extensive consultations and interactions with project beneficiaries were carried out in 2019 to ensure that the corresponding contributions were appropriately captured. Overall, 5,193 beneficiaries participated in community mobilization campaigns of which 2,483 were female and 2,710 males. Community mobilization campaigns included focus group discussions, interviews, meetings, and interaction with communities through PRA tools. The information gathered allowed the Project to gather more information on the communities' social structure, social mobility, livelihoods and economic activities allowing to further fine-tune the activities. However, a grievance redress mechanism (GRM) needs to be developed and implemented; consistent with IFADs policy on stakeholder engagement.

**Main issues**

The Project design refers to organized groups of farmer producer organisations - working initially through Village Development Committees (VDCs) as the main entry points for the Project activities, placing particular emphasis on including women and youth. Unfortunately, the law of these organizations is currently frozen/cancelled and the future is not clear whether to rely on the cooperatives or if other types of structures might emerge. In addition, during field visits, it was noted that not all communities have well-defined development structures and sometimes the community only relies on the cultural administration leaders.

Secondly, there is currently no data on the organization capacity and performance of farmer producer organisations (FPOs) and VDCs in Project areas nor documented evidence indicating both the quantitative and qualitative aspects of the participation of women and youth and their overall level of participation and involvement in project-decision making processes.

Beneficiaries' voice and representation therefore merits further study and the Project is endorsing affirmative actions aimed at bridging this gap:

- the Project is reassessing its engagement with FPOs; and

- Terms of Reference (ToRs) have been developed and the Mission has provided inputs to include qualitative and quantitative dimensions linked to the participation of women and youth.

Gaining insights into this complex field would be highly beneficial, allowing IAMDP to further include beneficiaries' voice and representation in Project activities.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Grievance Redress Mechanism</b> In line with IFADs latest policy on stakeholder engagement, the project should put in place a Grievance Redress Mechanism.	Community Development and Gender Officer	01/2021
<b>Assessment of Farmer Producer Organizations</b> Ensure due consideration the quantitative and qualitative dimensions of the participation of women and youth in FPOs in the planned assessment. If necessary, you may consider the adoption of positive discrimination measures to encourage the participation of young people from very poor rural families.	Community Development and Gender Officer	03/2021

**Responsiveness of Service Providers** **Rating: 4** **Previous rating: 4**

#### Justification of rating

The quality of services provided by the different service providers continues to vary although the majority are deemed to offer acceptable quality services. Some of the mechanised services needed by the farmers could not be provided and this is attributed to the high inflation rate, shortage of fuel and the cost ineffectiveness of dealing with the scattered nature of beneficiary fields. The timeliness and content of the reports submitted by the service providers was considered to be of an acceptable quality.

**Environment and Natural Resource Management** **Rating: 5** **Previous rating: 4**

#### Justification of rating

The rating is attributed to: a) completed baseline survey guiding implementation of agroforestry activities; b) expansion of agroforestry activities in different communities covered by the Project; c) implementation of innovation demonstration of hashab, improved and more productive gum Arabica; d) demonstration of sonki for harvesting hashab; e) environmentally friendly tillage methods to increase infiltration of water; f) demonstration of improved agronomic practices to maximise water use efficiency; g) capacity building of GAPAs that is still in its early stages; h) training in safe handling of agro-chemicals; i) use of Integrated Pest Management (IPM) in the Jubraka; and j) promoting activities aimed at conserving trees.

#### Main issues

Over the years, the country's agricultural productivity has declined due to land degradation that has reduced soil fertility and compounded with low and variable rainfall; this has threatened food security. The IADMP is responding in a variety of ways under Component 1 of the Project. A baseline of 39 communities was completed to highlight areas of intervention in improving gum Arabic productivity and quality. A total of 170,409 tree seedlings were produced. This is creating local capacity and putting responsibility on farmers to take charge of reversing losses of trees to drought and to defend their lands from desertification.

In 2020, the Project made an assessment of training needs for GAPAs. However, survey results show 64-99% of hashab growers in the project area are not members of GAPAs. Organising producers into GAPAs will provide effective means of farmer collaboration and management of hashab trees and should be a key activity of the Project. Farmers use the axe (60-97%) to tap hashab trees, an unsustainable method compared to use of the sonki. Sixty farmers were trained in its use in North Kordofan, but still more needs to be done in other localities.

Activities in promoting community forestry were noted in Sinnar where 164 feddans were re-vegetated by broadcasting seed. Also, in South Kordofan, 1,100 cuttings of frankincense gum trees (*Boswellia sacra*) were planted on 10 feddans in El Abbasya locality for community income generation.

IPM and the use of effective organism pesticide in the jubraka helps to save insect biodiversity. Expanding Jubraka activities to include efficient cook stoves is a pending activity that the Mission is informed will be added in 2021. The use

of the chisel to prepare the land is widely accepted through demonstrated results in improving ability of crops to better cope with dry spells and higher yields achieved. Demand for the service is high but is limited by capacity of MSPs.

The project trained 101 SSP in safe handling of agrochemicals to reduce environmental hazards. Trained SSPs treated 1,342 feddans with 819 L of pre- and post-emergence herbicides serving 449 farmers in 29 villages. Farmers are attracted to the labour and cost saving realised from use of herbicides. Their safe and continued use without harmful environmental conditions should be accompanied by other measures that will aid weed control. These include crop rotation, good agronomic practices that encourage early and vigorous crop growth to out-compete weeds. This will minimise quantities of herbicides needed.

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

**Main issues**

IAMDP does not yet have a written exit strategy. However, the Project was advised to keep in mind the need to develop and start implementing a realistic exit strategy (during the early part of Project implementation) that is supported by all Project stakeholders. This should be a consideration in processes such as service provider recruitment, capacity building interventions, etc. The strategy details institutional arrangements, legal aspects, ownership and post-Project funding. In general, and given the nature of the Project, the strategy will be to progressively put emphasis on building capacity at different levels but, in particular, through promoting farmers' associations and enhancing their technical, managerial and business skills, linking farmers and their organisations to value chains actors such as buyer/traders, input suppliers and financial institutions and granting them vital productive assets. It was agreed that the Project will prepare a draft exit strategy.

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
<b>Exit Strategy</b> Prepare the IAMDP Exit Strategy and share the draft with IFAD for review and comment.	PCU Coordinator	12/2020

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

**Main issues**

The following are factors that have tended to negatively affect the rate of scaling up: a) limited farmers' access to MSPs, finance and certified seeds; b) wrong perception of some MSPs that the use of chisel and heavy planters damages their tractors; this has further limited the provision of mechanised services to would be adopters of the technology; c) the continuing absence of community-level FPAs to organize farmers, link them with different service providers and to consolidate clean enough land that attract MSPs; d) limited effort to linking the agro-dealers with input suppliers, such as those dealing in seeds and agro-chemicals; e) slow progress to establish viable linkages with the appropriate financial institutions; and f) unfavourable Agricultural Bank of Sudan financing terms for MSPs.

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
<b>Scaling up</b> Initiate a structured process of capturing and documenting scaling-up cases	M&E specialist	12/2020
<b>Scaling Up</b> Expedite formation of community-based FPAs.	PCU Community Development Specialist	12/2020

**c. Project Management**

**Quality of Project Management** **Rating: 5** **Previous rating: 4**

**Justification of rating**

Project management has done a good job coordinating all Project aspects at the three different levels amidst COVID-19 challenges. The PCU succeeded in filling all posts that were vacant by the time of the previous Mission; the exception being that of Rural Finance Specialist. The recruitment process for the Rural Finance Specialist is complete, a candidate selected and is expected to report on duty before the end of 2020. At the State level, the Sinnar SIU Coordinator resigned

his post and is yet to be filled. Also, WK and SK SPIUs are still missing Accountant Assistants. With regard to the provision of the oversight role by the Project Steering Committee, and unlike the previous Mission when no meetings had been held yet, the Committee held a total of three meetings.

**Main issues**

IAMDP coordination is undertaken at three different levels: PCU, SIU and at the locality level; coordination and management at all three levels progressed well. The PSC has also been quite active; unlike the previous Mission when no meetings had been held yet, the Committee held a total of three meetings. The very first meeting was on 26<sup>th</sup> September 2019; the objective was to brief all Committee members about IAMDP and their respective responsibilities in the process of providing the oversight role to the Project. The second meeting was held on 20<sup>th</sup> November 2019; this meeting sought to review and approve the draft 2020 AWPB. The third meeting was on 30<sup>th</sup> March 2020; the purpose was to review and approve the Project staff employment regulations and by-laws. The next meeting is scheduled to be held before the end of October 2020; this meeting is expected to review, discuss and approve the 2021 AWPB.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Sinnar SIU Coordinator</b> Expedite recruitment of the Sinnar SIU Coordinator	PCU Coordinator	12/2020

**Knowledge Management** **Rating: 5** **Previous rating: 4**

#### Justification of rating

IAMPD's knowledge management strategy and action was finalised. Accordingly, State level workshops were convened in February 2020 to define pathways for the Project's effective KM. As a result, four State KM groups were formed with the following representation: 2 representatives from each locality, 2 representatives from PSIU, and representatives from local media, State Universities and the State Ministry of Production and Economic Resources. The next step is to train the State KM groups in: a) Knowledge Creation and Capturing; b) KM Production; and c) Knowledge Dissemination.

#### Main issues

The IAMDP KM strategy and action plan should include a process of learning and utilizing the lessons learned to build a mass of knowledge in all areas of the Project. The process of capturing the knowledge/lessons learned should seek to provide answers to the different performance questions that define the project interventions' success or lack thereof. Some of such questions may include: a) how has agricultural production and productivity changed as a result of the project – which interventions have worked well and those that have not worked as well and why; b) to what extent are the targeted communities more capable of dealing with different shocks compared to the non-targeted ones; c) what are the project implementation and monitoring capacities gaps at different levels and have they been adequately addressed and, if so, how; d) how effective is the use of GALS approach in mainstreaming of gender; e) to what extent are the targeted communities more informed about environment and climate-related issues than non-targeted ones; etc.

The project should aim at producing knowledge products for dissemination nationally and regionally. These could be in the form of videos/pictures depicting 'stories from the field' and/or interviews from beneficiaries.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Preparation of Case Studies</b> Present case studies in the project reports on how FAAB training and farmers diaries helped farmers in making more profitable agricultural production and marketing decisions.	M&E/KM Specialist	12/2020

**Value for Money** **Rating: 4** **Previous rating: 5**

#### Justification of rating

The mission reviewed gross margin budgets produced by the Project. Data was obtained from the report on review of 2019 on-farm demonstrations by the Project. A control group of 84 farmers practicing traditional methods were used as a basis for comparison because demonstrations lacked control plots. The improved package was, generally, seen to perform but, in some of the cases, the performance was not consistent with the exception of sorghum in Sinnar and South Kordofan. It is pertinent to point out that comparisons between farmer practice and demonstrations are confounded by planting date. On-farm demonstrations were planted late, and with low and variable rainfall, catching a full season of rainfall is critical to good performance; this was responsible for the inconsistent performance.

#### Main issues

Details of the Mission's review of gross margin budgets produced by the Project are presented in Appendix 4: Technical Background Analysis. The Farmer Practice mainly consisted of tillage using wide disk, non-certified seed of mixture of improved and local varieties, broadcasting for sesame and hand dug planting stations for groundnut, hand weeding, and

manual harvesting. None of the farmers applied fertilizers to fields assessed. On the other hand, application of the Improved Package varied from state to state but generally included chiseling (heavy or light), mechanical/pneumatic planter and herbicide. Fertilizers were missing from the package in all localities.

In order to convince farmers to adopt improved packages, execution of demonstrations must follow best management practices to convey intended message; efforts must be made to have a good control of those factors within the management ability of the Project. The complete Project package consists of chiseling (heavy or light), ditcher, mechanical/pneumatic planter, fertilizer, certified seed, seed dressing, herbicide, mechanical harvesting. It is reported that the package was not implemented in full at any of the sites in 2019. This was mainly due to delays in procurement of inputs and services (e.g. MSPs). To have impact, planning must deliver efficient and timely coordination of key activities as recommended hereunder:

- Procure inputs for demonstrations well in advance of the season to allow for timely distribution of bulky inputs such as NPK fertilizers to remote areas with poor road network;
- Select sites before crops are removed from the field to get better judgement of the site;
- Procure MSPs early, train tractor operators and supervise operations for quality work. Start land preparation activities early well in advance of beginning of rains;
- Train farmers and local extension staff in good agricultural practices before implementation of demonstrations and ensure that all the components are present and demonstrated;
- Agree with the farmer the establishment of a control plot. The farmer should begin the planting activity in the control plot at the same time as the demonstration plot but must proceed in their normal pace to complete the activity;
- Train farmers in simple record keeping and provide record books to record activities done in the control plots; and
- At the end of the season, assist farmers analyze their records to show returns realized from their plots and the demonstration.

It is highlighted that a demonstration which is poorly executed only serves to discourage adoption.

**Coherence between AWPB and Implementation**

**Rating: 4**

**Previous rating: 3**

**Justification of rating**

The PCU has gained considerable experience in coordinating and managing the Project’s activity implementation. However, implementation of the approved 2020 AWPB was affected by a number of external factors that had a negative impact on the pace of the activity implementation and the associated execution rate of the budget. Nonetheless, some of the AWPB targets have been met and others, actually, exceeded. As of 31st August 2020, the 2020 AWPB was 43% executed. Efforts are being made by the PCU to accelerate implementation during the remaining part of the Project year and indications are that the rate could be considerably higher.

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

Processing of the 2020 AWPB was not on schedule; the draft 2020 AWPB submitted to IFAD on 12<sup>th</sup> December 2019 and IFAD NO was given on 9<sup>th</sup> January 2020. It was also noted that an updated AWPB taking into consideration changes brought about by the COVID-19 pandemic was not submitted to IFAD. If the update contains activities that were not in the originally approved plan, the revised plan must be submitted to IFAD for review and No Objection. As already highlighted, a number of external factors combined to negatively affect the AWPB execution rate; such factors included:

- the need to comply with national and state requirements related to measures put in place to control the spread of COVID-19 meant that the Project had to restrict or suspend implementation of all activities that necessitated community gatherings. It also disrupted some of the procurement processes for goods and services; this led to delayed implementation of some of the planned activities;
- heavy rains in Sinnar State that made accessibility of project area and fields difficult for a period of 4-6 weeks;
- price inflation and the unstable exchange rate between the Sudanese Pound (SDG) and the major currencies affected the procurement of goods and services and, implicitly, the provision of some services, including that provided by Mechanised Service Providers (MSPs);
- shortage of fuel and the cost ineffectiveness of dealing with the scattered nature of beneficiary fields.

On the other hand, the timing for processing of the 2021 AWPB is reported to be on schedule; a draft AWPB is due to be presented to the PSC meeting scheduled for 24<sup>th</sup> October 2020 and, if approved with little or no comments for redress, the draft would be finalised and submitted to IFAD as required by 1<sup>st</sup> November 2020.

**Performance of M&E System**

**Rating: 4**

**Previous rating: 4**

**Justification of rating**



IAMDP continues to execute its M&E function generally well using an established system. Annual review and strategy workshops were convened in four States in January 2020; they focused on a) reviewing the level of performance and output of the activities implemented during 2019 from the technical point of view; b) discussing modalities, challenges and expected results; and c) linkages and partnership issues and pathways for better implementation during the 2020 season. A report that summarises the workshops' proceedings was produced and shared with the Mission. Also, a quarterly review and planning meeting was undertaken in April 2020 to review implementation of IAMDP's quarterly plans, planning for the next meeting, and facilitate inter-state information and experience sharing.

### M&E System Review

The Project continues to execute its M&E function generally well using an established system. The information is collected by the LETs on a monthly basis. The M&E and KM Officer at the state level meets with the LET monthly to receive and validate the information collected. Information from the different localities in a given state gets consolidated at state level and presented to the SPIU. The SPIU consolidates the information into quarterly reports, presented to the Technical Committee for review and comments. Once finalized, it gets sent to the PCU.

Consistent with the plan, annual review and strategy workshops were convened in four States during the period 4<sup>th</sup> – 20<sup>th</sup> January 2020. In each State, the workshop lasted three days. The first day reviewed the level of performance and output of the activities implemented during 2019 from the technical point of view and was exclusively attended by the technical staff (PSIU staff, LET team members, PCU representatives, National Consultants). The focus of the second day was on discussing modalities, challenges and expected results. The Project's technical staff were joined by selected farmers (farmers participating in on-farm demos, innovation demos, Jubraka, and contact farmers) and service providers (MSPs, SSPs, agro-dealers, business development agents). The last day of the workshops discussed linkages and partnership issues and pathways for better implementation during the 2020 season were agreed upon. Participants for the last day session included the technical staff, Project Steering Committee representatives and microfinance institutions. A report that summarises the workshops' proceedings was produced and shared with the Mission.

Also, a quarterly review and planning meeting was undertaken, on 15<sup>th</sup> April 2020, to review implementation of the Project's quarterly plans, planning for the next meeting, and facilitate inter-state information and experience sharing. The focus of this particular session was, mainly, on preparation for the wet season interventions. Participants included PCU staff, PSIUs and locality representatives in addition to the Project's national consultants. A report of the review and planning meeting was produced and shared with the Mission.

However, it is unfortunate that, towards the end of IAMDP's third year of implementation, a baseline survey is yet to be undertaken. This presents doubts whether it would still be possible to adequately benchmark the situation that existed prior to Project activity implementation commencement to use it as a basis for monitoring and gauging progress being made in the course of IAMDP implementation. The COVID-19 lockdown dealt another setback to this endeavour when the process of recruiting a consulting firm was suspended for 3 months. But, by the time of the Mission, the evaluation committee had completed its task and produced the technical report; the report is to be sent to IFAD before the end of October 2020 for review and expression of a 'No Objection'.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>PSC Review of Six Monthly Progress Reports</b> Subject the six monthly implementation progress report to the Project Steering Committee's review and approval.	PCU Coordinator	11/2020
<b>Baseline Survey</b> Expedite the process of undertaking the baseline survey and share the Technical offer with IFAD for review.	M&E and KM Specialist/PCU Coordinator	12/2020
<b>Information on Cumulative Achievements</b> Ensure inclusion of information on the cumulative achievements in the six monthly and annual implementation progress reports.	M&E and KM Specialist	03/2021

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

**Rating: 4**

### Justification of rating

Rating is premised on: a) SECAP was prepared and aligned with the IFAD policy on Engagement in Fragile and Conflict-affected States and Situations; b) leaders at grassroots levels are sensitised in understanding and overcoming gender and



youth issues that hinder development; c) climate risk analysis consultancy identified vulnerable groups for targeting by Project activities; d) training in sand brick making targets the youth for local employment and as a climate mitigation strategy; e) equal focus on women in on-farm and innovation demonstrations; f) increasing participation of women in agroforestry; g) women empowerment through the Jubrakas; h) targets youths as service providers; and ix) the promotion of climate resilient technologies.

### SECAP Review

A Project SECAP was produced at design and IAMDP was given a B classification, suggesting that it did not present any irreversible impacts in the short or long term. The geographic targeting emphasises, amongst other issues, presence in localities and villages of high numbers of women and youth as well as consideration of poverty levels. With technical assistance, the IAMDP carried out a survey to assess the vulnerability of households to climate change to help the Project in effective planning of adaptation programmes. The set of environmental management practices for climate change adaptation adopted by IADMP include: a) switch to drought-resistant, short-season, or early maturing varieties b) use of water conservation techniques; c) use of herbicides; d) use of varieties that are tolerant to drought and parasitic weeds.

Diversification measures include widening the crop base in the field, Jubraka and through agroforestry activities. Number of farmers participating in on-farm demonstration in 2020 was in favour of women with 428 whilst men were 390. The split is even for innovation demonstrations. Women selected from phase 1 villages for exposure to activities in phase 2 villages were 770 whilst men were 1,053. This representation of women improves their empowerment through training and acquisition of knowledge which can be used to gain leadership positions and amplify their voices in the community. Women participation in agroforestry activities has been growing. Numbers trained in tree seedling production were about half that of men in West and South Kordofan whilst the reverse was true in Sinnar. Men constituted a majority of tree seedling beneficiaries with 1,053 receiving whilst 659 women benefited. Women still lag behind men with respect to the lucrative hashab though there are indications of women now also participating in tapping of the gum. In South Kordofan, 308 men benefited from Gum Arabic seedling distribution compared to only 26 women.

Women that benefited from Jubraka targeting were 1,504. The improved Jubraka, with water harvesting and drip irrigation, helps intensify production and improve resilience to dry spells. This helps feed the household through lean periods and provide excess for sale. Some men are beginning to show interest in the Jubrakas because of the demonstrated income generation potential. The Jubraka has also empowered women through a variety of trainings including vegetable seedling production, how to prepare and use manure, home garden planning and processing and marketing.

Targeting the youth is now exploring non-agricultural employment generation activities. Making sand bricks introduced in North Kordofan helps conserve trees that are traditionally used for constructing rural dwellings. The youth are represented in on-farm demonstrations and are targeted exclusively as SSPs. All 101 SSPs trained in 2020 were kitted with full protective clothing for safe handling of chemicals. Use of the chisel does not turn the soil and minimises loss of organic matter and emission of carbon dioxide and thus mitigates climate change. It also improves resilience to drought and prolonged dry spells by breaking compact soil layers and enhancing water infiltration and storage. Farmers reported better performance of crops in fields that were chiselled in the current season.

Project interventions that reduce labour, such as machine planting and herbicide weeding, are popular with farmers. There is evidence that farmers are adopting some of these technologies. In West Kordofan, 29 farmers adopted land preparation and planter options on 575 feddans whilst the project funded 630 feddans. In Sinnar, farmers adopted same technologies on 4,381 feddans with project funding 1,513 feddans.

However, although the Project had started the process of preparing the needed ESMPs, consistent with the SECAP requirements, the process was interrupted by the COVID-19 lockdown which prevented the international consultant from travelling to Sudan. Accordingly, the process was halted. Arrangements are being made to continue with the process during the first quarter of 2021 with the help of a national consultant.

### d. Financial Management & Execution

<b>Acceptable Disbursement Rate</b>	<b>Rating: 3.0</b>	<b>Previous rating: 2</b>
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#### Justification of rating

The project is designed to be executed over six years. As of the mission date, the project is in its third year of the implementation and its disbursement rate as of 31 August 2020 is 29.31% including initial advances. The disbursement rate will increase once the withdrawal applications (WA) for the unclaimed expenditures in submitted and processed by IFAD.

#### Main issues

A combined of internal and external factors have led to this **Moderately unsatisfactory** rate: the prevailing economic instability (hyperinflation - average 135% - and exchange-rate depreciation), shortage of fuel, along with situations that

unfolded in 2020 (mainly COVID 19 restrictions owing to a lockdown for more than 3 months) have affected the pace of activity implementation as most of planned activity for the current year have been suspended/slowed-down and procurement of goods and services delayed. In addition, WA11 covering unclaimed expenditures for the third quarter of 2020 has not prepared and submitted to IFAD yet.

The disbursement rate is also expected to improve with many of the activities that were delayed /suspended due to COVID-19 restrictions are progressively returning to normal since the end of the lockdown in mid-July 2020.

In terms of actual expenditures by category, it should be noted that Category 6 (Operating costs) is overdraft by 61%. This is mainly attributed to the high maintenance costs of old vehicles inherited from SDP and SUSTAIN projects coupled with inflation impact on the cost of spare parts prices. Therefore, it is recommended that no further expenditure should be financed from this category until a formal approval of categories reallocation is granted by IFAD. In addition, the mission recommends to use the new vehicles to reduce maintenance costs and project management to prepare and submit a formal reallocation request among categories to IFAD to address the over-disbursement and allocate additional funds to Category 6.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Submit WA 11 to IFAD</b>  Submit WA 11 covering third quarter of 2020.	Financial Manager	11/2020

### **Fiduciary aspects**

**Quality of Financial Management**

**Rating: 4**

**Previous rating: 4**

#### **Justification of rating**

The quality of financial management is Moderately satisfactory as almost all financial management staff members have previously worked for donor funded projects and most of them have prior experience within IFAD funded projects. Interim financial reports as well as full set of annual financial statements (FS) being prepared and timely submitted to IFAD. Some of the previous mission recommendations were implemented and while some others remain outstanding. There two FM positions in both SPIUs of South and West Kordfan are vacant.

#### **Main issues**

Organization and Staffing: Although featuring an extensive working experience - most of them within IFAD funded projects- with appropriate qualifications, all FM staff are encouraged to take the e-learning course on IFAD's FM practices and to be further trained on IFAD FM & disbursement procedures. Delays in inputting and recording expenditures are mainly due to vacant positions of "accountant assistant" in the state project implementation units (SPIUs) of South and west Kordofan..

Budgeting: Approved budget is inserted in the accounting software annually allowing budget monitoring controls versus actuals; however, a solid analysis of variances is not regularly monitored as it is evident in the over-draft in category 6 which was not been timely analysed to avoid occurrence of such overdraft. A slight delay in AWPB submission for IFAD concurrence continued to occur. In addition, AWPB of 2020 has not been revised in light of COVID-19 implications. The mission reiterates it is recommendation that AWPB preparation process has to be launched well ahead of the deadline so that submission timelines could be met.

Flow of Funds: Withdrawal applications for replenishment are regularly submitted to IFAD. However, it was noticed that no follow-up was made from the project with IFAD to investigate about reasons behind reduction of the amount replenished under WA 8.

#### Internal controls:

Although a FM manual is approved since February 2019, the project did not fully adhered to it. For instance the templates used do vary from one SPIU to another, and full handwritten and unclear documents are widely used. It is recommended to harmonize templates and to update the FM manual regularly and to be tailored it the project needs.

There is not a sufficient segregation of duties mainly in SPIUs where the accountants are involved preparation and reviewing of documentation. In addition, physical assets inventory count has been done in all SPIUs with exception of PCU.

The bank reconciliations are carried out by the project, however outstanding items in the bank reconciliations are not timely investigated and addressed. The mission noted that there is an outstanding item of an amount of EUR 2,860 in the Designated Account bank reconciliation statement since January 2020.

SOE verification: The Mission reviewed a representative sample of expenditures under Statements of Expenditure (SOEs) and some deficiencies were found. The main findings are summarised in the SOE review sheet and were shared with the Project Financial Manager. Some expenditures were found to be ineligible or potential ineligible as follows: (i) VAT amounts unduly paid from IFAD Grant instead of counterpart with an amount of SDG 2,484,695; (ii) an extra one night DSA paid to two participants in IFAD workshop in Rome for an amount of EUR 516; and (iii) an overpayment to contractor of SDG 70,000.

Internal audit: The internal audit reports are prepared and submitted monthly, however, auditors do not follow up on actions taken by the management in response to their recommendations. In addition, internal auditors should play a key role by reviewing and ensuring that amounts claimed are accurate; underlying supporting documentation are complete and the expenditures are eligible as per the signed financing agreement. They are encouraged to participate with FM staff to training on IFAD FM & disbursement procedures.

Accounting System: The accounting software system has not been completed fully. The development of some functionality and remaining modules is still on-going.

Financial reports: The financial reports are prepared and submitted timely to IFAD. The mission noted that Private sector contributions are captured in the financial reports but are missing the rental fees of agriculture equipment paid by the MSPs.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<p><b>Improve Financial reporting</b></p> <p>2019 mission recommendations were fully implemented ( Capture beneficiaries and private sector contributions; Capture GoS contributions: - Reflect VAT exemption in the FS as GoS counterpart fund &amp; - Record VAT payments under GoS counterpart)</p> <p>2020 mission recommendations :</p> <p>i)- Record private sector contribution (MSP) under a specific financier account not under GoS ledger; ii) - Correct private sector contribution by adding agricultural equipment rental amounts paid by MSPs; iii)- Improve assets register presentation and use the template in IAMDP FM manual; iv) Conduct a thorough review of all past expenditures to ensure VAT proper accounting and payment under the right financier</p>	Senior Accountant and SPIU accountants	10/2019
<p><b>Improve IAMDP's asset management</b></p> <p>1- Update Asset register with all assets received from SDP and SUSTAIN and put in place a proper coding and labelling for all the assets; 2- Conduct a physical verification exercise for all assets and reflect all findings in the accounting software system.</p> <p>Recommendations partially implemented as inventories have been conducted in Dec 2019 for all states except for PCU</p>	Financial Manager	12/2019
<p><b>Speed up full implementation of the Accounting Software</b></p> <p>Finalize the full operationalisation of Procurement, Payroll, Assets management and petty cash modules</p> <p>No further steps have been taken since last year – due mainly to lockdown from March to July 2020</p>	Financial Manager	12/2019
<p><b>Enhance internal audit role</b></p> <p>Internal auditors: 1- to play key role by ensuring that amounts claimed are accurate underlying supporting documentation are complete. 2- To ensure follow-up on recommended actions.</p>	Internal auditors	12/2020
<p><b>Set up internal control tools</b></p> <p>i)- Conduct petty cash spot checks and prepare monthly reconciliation statements; ii)- Follow-up with CBoS on the outstanding amount: Designated Account bank reconciliation Jan.2020 iii)- Use standard templates to documentary support expenditures; iv)- Use checklist as provided in the FM manual to dully justify expenditures with strong evidence</p>	Financial manager and accountants	12/2020
<p><b>Enhance FM and IA staff skills</b></p> <p>Train Financial team members and Internal auditors on IFAD FM practices</p>	Project coordinator	12/2020
<p><b>Fill vacant positions</b></p> <p>Staff the position of "Accountant assistant" in West Kordofan and South Kordofan implementation units</p>	Project coordinator	12/2020

**Quality and Timeliness of Audit**

**Rating:**

**Counterparts Funds**

**Rating: 5**

**Previous rating: 2**

**Justification of rating**

Counterpart funds are rated Satisfactory. In 2019 the GoS had refunded the total counterpart contribution deficit, which was pre-financed from IFAD's grant. In addition, MoFEP makes a monthly transfer for counterpart contribution towards 2020 AWP. The total amount allocated and transferred commensurate with the implementation of AWPB.

### Main issues

GoS counterpart contribution budgeted and approved in AWPB of 2020 was SDG 33.9 million including both in kind contribution of (SDG 20.9 million) and cash contribution of (SDG 13 million). The amount transferred in cash to the bank account of the project upto 31 August 2020 was SDG 8.41 million, of which only SDG 2.83 million was spent and has a remaining balance of SDG 5.58 million. This balance along with forthcoming monthly transfers are sufficient to cover for GOS contribution towards staff Social Insurance of 17% and VAT expenditures.

In addition, the project has recorded in kind contributions upto 31 August 2020 of SDG 25.71 million mainly for custom duties for vehicle procured in 2019. In this connection, the project needs to obtain the related supporting documentation from MoFEP to support the calculation of the above mentioned counterpart in kind-contribution amount.

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Obtain supporting documentation from MoFEP for in kind contributions reported in 2020	Finance Manager	12/2020

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

### Justification of rating

One additional Non-compliance with the Financing Agreement covenants was added to those detected during last supervision mission. Since corrective action has already been initiated, the rating is kept at moderately satisfactory.

### Main issues

Compared to last supervision mission findings, one out of four Non-compliance is switched to "complied with" status, however the remaining three others still under the same status of "not complied with". Appendix 3.1 provides more details.

## Procurement

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

### Justification of rating

IAMDP Procurement is rated as Moderately Unsatisfactory, this is mainly due to: a) the delay in initiating the procurement processes for most of the anticipated activities; b) the need to ensure that procurement processes are in compliance with IFAD prior review requirements; c) for the procurement of agricultural inputs, technical specifications were missing and particular brands were specified; d) incomplete request for quotation documents were issued to the bidders; e) in several cases, the evaluation process was not conducted appropriately; f) unrealistic implementation period for some transactions; and g) weak contract management. In addition, it was noticed that the project has not utilized IFAD No Objection Tracking system (NOTUS) for the submission of requests for No Objection.

### Procurement Review

**Procurement Planning** – The Mission was pleased to find that the Project fully adhered to the thresholds for the procurement methods and IFAD prior review. However, the format of the approved procurement plan was inconsistent with IFAD template. In addition, the Mission noted the following areas for improvement: a) several low-value procurement activities can be grouped together; b) activities related to supervision of construction works were mistakenly enrolled in works sheet with incorrect selection method; c) large discrepancies between the cost estimate and actual contract value were noticed; d) for the National Competitive Bidding (NCB) and International Competitive Bidding (ICB) methods, a short period was offered to submit bids; and e) the plan is not periodically updated. The Project prepared a draft Procurement Plan (PP) using IFAD template but it has not been submitted for IFAD No Objection. The biggest issue, however, is that the majority of items in the PP had not been procured at the time of the Mission, out of 62 planned packages estimated at a total value of EUR 2,126,222, only 18 packages were signed for a total value of EUR 265,651.64; this constitutes about 12.5% of the originally planned amount.

**Processes and Procedures from Prequalification to Bidding** – The Mission noted several gaps in the procurement procedures: a) in several cases, only the invitation letter was sent to the bidders; b) for agricultural input, technical specifications were missing and particular brands were requested; c) in one case, transaction was initiated and completed using direct contracting method without obtaining IFAD No Objection; d) the selection method for the recruitment of individual consultant was inconsistent with IFAD Procurement Handbook; e) Request for Quotations (RFQs) lacks information on when the bidders can seek clarifications; and f) there are no standard IFAD fraud and anti-corruption

provisions in the instructions to bidders and the general conditions of contract.

**Process and Procedures for Evaluation and Contract Award**– There are evaluation reports for all procurements carried out. This notwithstanding, the following irregularities were noted: a) preliminary examination and technical evaluation were not conducted properly; b) evaluation reports for consultants' CVs included only score sheets without a narrative part to present the weakness and strength of each candidate; and c) in many cases, Purchase Orders (POs) were issued without applying any standstill period.

**Contract Management and Administration**– In the procurement cycle, the PCU main area of improvement would lie in the contract management. The following gaps were noted: a) in all procurements for goods, acceptance and inspection procedures were not handled properly; b) in some cases, payments were made before receiving vendors' invoices. In two cases, 100% of the PO value was disbursed in advance; c) for all consultants' contracts, payments were made without assessment of the deliverables submitted by the consultants; d) contract documents do not include provisions for IFAD to audit the contract; e) delivery period was not monitored by the project; and f) extension for consultants' contracts with period double the original contract was made without obtaining IFAD No Objection. The Mission reviewed the Register of Contracts, on a sample basis which was found to be up to date in terms of contracts awarded in the current year. However, some important data in the Register were missing or not accurate (details are provided in Appendix 4: Technical Background Analysis – IV Procurement).

**The Procurement Filing System** – Based on the self-assessment checklist on procurement filing prepared by the PCU and the orderliness of the received documents, the procurement filing system includes all related documents and records for all transactions except some documents related to contract management (details are provided in Appendix 4: Technical Background Analysis – IV Procurement).

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<p><b>Letter to Recipient</b></p> <p>Revise the current Letter to Recipient to modify the thresholds for procurement methods for all categories in accordance with the results of the PRM.</p>	IFAD	11/2020
<p><b>Procurement Plan Format</b></p> <p>Upgrade the 2020 procurement plan to reflect the above-mentioned comments and submit it for IFAD No Objection.</p>	Procurement Specialist	11/2020
<p><b>Contract Register</b></p> <p>Update the register of contracts to address the comments provided.</p>	Procurement Specialist	12/2020
<p><b>Project Implementation Manual</b></p> <p>Revise the procurement section in the PIM to incorporate more details about the different steps of the procurement process.</p>	Procurement consultant	12/2020
<p><b>Capacity Building</b></p> <p>Organize a tailor-made Procurement Training for the Project Procurement staff at the level of the PCU and the SPIUs as well as other technical persons involved in the procurement process covering the areas of compliance with IFAD Procurement Guidelines, preparation of the bidding documents, evaluation process and contract management.</p>	PCU Coordinator	12/2020
<p><b>Shortlisting Procedure for Shopping Method</b></p> <p>For the application of shopping method, the project should carry out a simple market research to ensure that the that the firms invited to quote are reputable, well established, and are suppliers of the goods or services being purchased as part of their normal business.</p>	Procurement Specialist/ Procurement consultant	12/2020
<p><b>Compliance with IFAD Procurement Guidelines</b></p> <p>Adhere strictly to IFAD guidelines and Handbook with regard to No Objection requirements, preparation of bidding documents, evaluation procedures, selection of individual consultants and contract management aspects.</p>	Procurement Specialist	
<p><b>Utilization of NOTUS</b></p> <p>All requests for No Objection should be submitted through NOTUS</p>	Procurement Specialist	
<p><b>Enhance Implementation Capacity</b></p> <p>Expedite the implementation of planned activities.</p>	PCU Coordinator/ Procurement Specialist	
<p><b>Procurement Technical Assistance</b></p> <p>The Recruited National Consultant should play an instrumental role in the project procurement function; his scope of work should be extended to include oversight duties over all IAMDP procurement activities in addition to support the implementation of the planned transactions.</p>	PCU Coordinator/ Procurement consultant	

#### e. Key SIS Indicators

<b>Likelihood of Achieving the Development Objective</b>	<b>Rating: 4.45</b>	<b>Previous rating: 4.0</b>
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<b>Assessment of the Overall Implementation Performance</b>	<b>Rating: 4.07</b>	<b>Previous rating: 4.0</b>
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## F. Agreed Actions

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
<b>Overview and Project Progress</b>		
<b>Project-owned Machinery and Equipment</b> a) Transfer the project owned machinery and equipment to existing or new agricultural service centres; and b) Consider in-kind contribution of the 30% premium to the focal MSPs in the form of equipment that can be used by the MSP to continue providing the project promoted machinery services in the clusters	PCU Coordinator	12/2020
<b>“One MSP One Cluster” Approach for Efficiency Gains</b> Develop a “one MSP one cluster” approach to enhance demand aggregation and profitability of machinery services.	PCU Coordinator	12/2020
<b>Effective Provision of Mechanised Services</b> Review engagement with MSPs, draw lessons, and agree way forward to improve access to services for the target farmers and on a continuous basis.	PCU Coordinator	01/2021
<b>Efficient Use of Pneumatic Planters</b> Procure experienced tractor mechanical specialists to solve problems encountered with pneumatic planters with the objective of improving sesame and groundnut stands.	PCU Coordinator	01/2021
<b>Development Effectiveness</b>		
<b>Innovation and On-farm Demonstrations</b> Produce guidelines for site and farmer selection and layout of innovation and on-farm demonstrations.	Crop Production Specialist, PCU	12/2020
<b>Gender and Youth Disaggregated Data</b> The Project should put in place a system that ensures an accurate monitoring of men’s groups, women’s groups, and youth’s groups (and the mixed ones)	M&E Officer	12/2020
<b>Age-disaggregated data</b> Put in place a system that captures age-disaggregated data in all Project reports and logical Framework	M&E Officer	12/2020
<b>Capacity Building of PSIU and LET Staff</b> Train PSIU and LET staff in best management practices for target crops and implementation of demonstrations.	Crop Production Specialist, PCU	02/2021



<p><b>Market for Organic Produce</b></p> <p>Assess organic production as a potentially important market niche and, if viable incorporate organic farming concepts in the production, marketing, and capacity building components</p>	Crop Production Specialist	02/2021
<p><b>No Till as a Potential Technology for Promotion</b></p> <p>Assess performance of No-Till as used practised by farmers who were not serviced by MSPs. If results are favourable consider its promotion to prioritise timely planting</p>	Crop Production Specialist	02/2021
<p><b>Nutrition Trainings</b></p> <p>Carry out Nutrition training in all the 4 Project States</p>	Community Development and Gender Officer	03/2021
<p><b>GALS' Training</b></p> <p>Carry out GALS training in all the 4 States and adhere to the principles of GALS by making sure that both men and women are included in future interventions (training facilitators, local champions, etc.)</p>	Community Development and Gender Officer	03/2021
<p><b>Strategic Approach to Mainstreaming Young Men and Women</b></p> <p>Ensure that interventions targeting the youth are in line with the specific needs of the young men and women.</p>	Community Development and Gender Officer / Private Sector Specialist/Production Specialist	
<b>Sustainability and Scaling up</b>		
<p><b>Farmer Producer Associations and Gum Arabic Producers Associations</b></p> <p>Analyse the viability of the FPA/GAPA structures and refine Project engagement with farmer organizations accordingly.</p>	PCU Coordinator	12/2020
<p><b>Exit Strategy</b></p> <p>Prepare the IAMDP Exit Strategy and share the draft with IFAD for review and comment.</p>	PCU Coordinator	12/2020
<p><b>Scaling up</b></p> <p>Initiate a structured process of capturing and documenting scaling-up cases</p>	M&E specialist	12/2020
<p><b>Scaling Up</b></p> <p>Expedite formation of community-based FPAs.</p>	PCU Community Development Specialist	12/2020
<p><b>Establishment of Partnerships</b></p> <p>Explore new partnerships with traders and processors.</p>	Private Sector Specialist.	01/2021
<p><b>Grievance Redress Mechanism</b></p> <p>In line with IFADs latest policy on stakeholder engagement, the project should put in place a Grievance Redress Mechanism.</p>	Community Development and Gender Officer	01/2021

<p><b>Farmer Producer Associations</b></p> <p>Work closely with the Inter-Ministerial Steering Committee and the National Seed Council on the policy formulation process for FPAs and the development of new Plant Breeders' Rights Act.</p>	PCU	01/2021
<p><b>Assessment of Farmer Producer Organizations</b></p> <p>Ensure due consideration the quantitative and qualitative dimensions of the participation of women and youth in FPOs in the planned assessment. If necessary, you may consider the adoption of positive discrimination measures to encourage the participation of young people from very poor rural families.</p>	Community Development and Gender Officer	03/2021
<b>Project Management</b>		
<p><b>PSC Review of Six Monthly Progress Reports</b></p> <p>Subject the six monthly implementation progress report to the Project Steering Committee's review and approval.</p>	PCU Coordinator	11/2020
<p><b>Sinnar SIU Coordinator</b></p> <p>Expedite recruitment of the Sinnar SIU Coordinator</p>	PCU Coordinator	12/2020
<p><b>Preparation of Case Studies</b></p> <p>Present case studies in the project reports on how FAAB training and farmers diaries helped farmers in making more profitable agricultural production and marketing decisions.</p>	M&E/KM Specialist	12/2020
<p><b>Baseline Survey</b></p> <p>Expedite the process of undertaking the baseline survey and share the Technical offer with IFAD for review.</p>	M&E and KM Specialist/PCU Coordinator	12/2020
<p><b>Information on Cumulative Achievements</b></p> <p>Ensure inclusion of information on the cumulative achievements in the six monthly and annual implementation progress reports.</p>	M&E and KM Specialist	03/2021
<b>Financial Management &amp; Execution</b>		
<p><b>Improve Financial reporting</b></p> <p>2019 mission recommendations were fully implemented ( Capture beneficiaries and private sector contributions; Capture GoS contributions: - Reflect VAT exemption in the FS as GoS counterpart fund &amp; - Record VAT payments under GoS counterpart)</p> <p>2020 mission recommendations :</p> <p>i)- Record private sector contribution (MSP) under a specific financier account not under GoS ledger; ii) - Correct private sector contribution by adding agricultural equipment rental amounts paid by MSPs; iii)- Improve assets register presentation and use the template in IAMDP FM manual; iv) Conduct a thorough review of all past expenditures to ensure VAT proper accounting and payment under the right financier</p>	Senior Accountant and SPIU accountants	10/2019

<p><b>Improve IAMDP's asset management</b></p> <p>1- Update Asset register with all assets received from SDP and SUSTAIN and put in place a proper coding and labelling for all the assets;  2- Conduct a physical verification exercise for all assets and reflect all findings in the accounting software system.  Recommendations partially implemented as inventories have been conducted in Dec 2019 for all states except for PCU</p>	Financial Manager	12/2019
<p><b>Speed up full implementation of the Accounting Software</b></p> <p>Finalize the full operationalisation of Procurement, Payroll, Assets management and petty cash modules  No further steps have been taken since last year – due mainly to lockdown from March to July 2020</p>	Financial Manager	12/2019
<p><b>Letter to Recipient</b></p> <p>Revise the current Letter to Recipient to modify the thresholds for procurement methods for all categories in accordance with the results of the PRM.</p>	IFAD	11/2020
<p><b>Procurement Plan Format</b></p> <p>Upgrade the 2020 procurement plan to reflect the above-mentioned comments and submit it for IFAD No Objection.</p>	Procurement Specialist	11/2020
<p><b>Submit WA 11 to IFAD</b></p> <p>Submit WA 11 covering third quarter of 2020.</p>	Financial Manager	11/2020
<p><b>Contract Register</b></p> <p>Update the register of contracts to address the comments provided.</p>	Procurement Specialist	12/2020
<p><b>Project Implementation Manual</b></p> <p>Revise the procurement section in the PIM to incorporate more details about the different steps of the procurement process.</p>	Procurement consultant	12/2020
<p><b>Capacity Building</b></p> <p>Organize a tailor-made Procurement Training for the Project Procurement staff at the level of the PCU and the SPIUs as well as other technical persons involved in the procurement process covering the areas of compliance with IFAD Procurement Guidelines, preparation of the bidding documents, evaluation process and contract management.</p>	PCU Coordinator	12/2020
<p><b>Shortlisting Procedure for Shopping Method</b></p> <p>For the application of shopping method, the project should carry out a simple market research to ensure that the that the firms invited to quote are reputable, well established, and are suppliers of the goods or services being purchased as part of their normal business.</p>	Procurement Specialist/ Procurement consultant	12/2020

<p><b>Enhance internal audit role</b></p> <p>Internal auditors: 1- to play key role by ensuring that amounts claimed are accurate underlying supporting documentation are complete. 2- To ensure follow-up on recommended actions.</p>	Internal auditors	12/2020
<p><b>Set up internal control tools</b></p> <p>i)- Conduct petty cash spot checks and prepare monthly reconciliation statements; ii)- Follow-up with CBoS on the outstanding amount: Designated Account bank reconciliation Jan.2020 iii)- Use standard templates to documentary support expenditures; iv)- Use checklist as provided in the FM manual to dully justify expenditures with strong evidence</p>	Financial manager and accountants	12/2020
<p><b>Enhance FM and IA staff skills</b></p> <p>Train Financial team members and Internal auditors on IFAD FM practices</p>	Project coordinator	12/2020
<p><b>Fill vacant positions</b></p> <p>Staff the position of "Accountant assistant" in West Kordofan and South Kordofan implementation units</p>	Project coordinator	12/2020
<p><b>Obtain supporting documentation from MoFEP for in kind contributions reported in 2020</b></p>	Finance Manager	12/2020
<p><b>Compliance with IFAD Procurement Guidelines</b></p> <p>Adhere strictly to IFAD guidelines and Handbook with regard to No Objection requirements, preparation of bidding documents, evaluation procedures, selection of individual consultants and contract management aspects.</p>	Procurement Specialist	
<p><b>Utilization of NOTUS</b></p> <p>All requests for No Objection should be submitted through NOTUS</p>	Procurement Specialist	
<p><b>Enhance Implementation Capacity</b></p> <p>Expedite the implementation of planned activities.</p>	PCU Coordinator/ Procurement Specialist	
<p><b>Procurement Technical Assistance</b></p> <p>The Recruited National Consultant should play an instrumental role in the project procurement function; his scope of work should be extended to include oversight duties over all IAMDP procurement activities in addition to support the implementation of the planned transactions.</p>	PCU Coordinator/ Procurement consultant	

## **Sudan**

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### **Integrated Agriculture and Marketing Development Project Supervision Report**

#### **Logical Framework**

Mission Dates: 20/09/2020 - 09/10/2020  
Document Date: 11/11/2020  
Project No. 2000001517  
Report No. 5539-SD

Near East, North Africa and Europe Division  
Programme Management Department



**Integrated Agriculture and Marketing Development 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	
<b>Outreach</b>	1 Persons receiving services promoted or supported by the project							Project baseline study, mid-term review and completion report; PFI records	Baseline, Mid-term, Completion; Monthly basis	PCU M&E unit; PFIs	Macro-economic stability (A) US sanctions lifted (A)
	Females		12 220	25 380	5 460	17 157	67.6				
	Males		13 780	28 620	4 617	17 808	62.2				
	Young		8 060	16 740	5 212	13 176	78.7				
	Total number of persons receiving services	0	26 000	54 000	10 077	34 965	64.8				
	1.a Corresponding number of households reached							Project baseline study, mid-term review and completion report; PFI records	Baseline, Mid-term, Completion; Monthly basis	PCU M&E unit	
	Households	0	13 000	27 000	6 486	15 325	56.8				
	1.b Estimated corresponding total number of households members							Project baseline study, mid-term review and completion report; PFI records	Baseline, Mid-term, Completion; Monthly basis	PCU M&E unit	
	Household members	0	78 000	162 000	40 213	95 015	58.7				

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	
	Number of villages supported by the project							Project baseline study, mid-term review and completion report; PFI records	Baseline, Mid-term, Completion; Monthly basis	PCU M&E unit; PFIs	
	Old village	0	23	63	7	42	66.7				
	New village	0	24	66	16	54	81.8				
<b>Project Goal</b> Contribution to food and nutrition security and reduction of poverty in poor rural households	Percentage of targeted households with 30% increases in asset ownership index							Project baseline study, mid-term review and completion report □ Specialized thematic studies	Baseline, Mid-term, Completion	PCU M&E unit	Overall political and economic situation remains stable (A) Stability of prices in agricultural commodities (A)
	Households	0	40	80							
<b>Development Objective</b> Enhanced income for smallholder farmers through access to improved agricultural inputs, climate resilient technologies, services, rural finance and marketing outlets.	Number of households reporting 20% increase in income							Project baseline study, mid-term review and completion report □ Specialized thematic studies	Baseline, Mid-term, Completion	PCU M&E unit	Macroeconomic conditions remains stable (A) Climate change effects are contained (R)
	Households	0	11 000	21 600							
	1.2.8 Women reporting minimum dietary diversity (MDDW)							BL, MTR and PCR using MDD Methodology	Baseline, Mid-term, Completion Monthly basis	PCU M&E unit	
	Women (%)	0	30	60							
	Women (number)		3 000	6 090							



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	
<b>Outcome</b> Enhanced smallholder climate resilient productivity and production	1.2.4 Households reporting an increase in production							Project baseline study, mid-term review and completion report	Baseline, Mid-term, Completion	PCU M&E unit	Stability of project area is not adversely affected Climate change effects are contained
	Households	0	40	80							
	Households										
	1.2.2 Households reporting adoption of new/improved inputs, technologies or practices							Project baseline study, mid-term review and completion report	Baseline, Mid-term, Completion	PCU M&E unit	
Households	0	11 000	21 600								
<b>Output</b> Private service provider and agro-dealer capacity built	Number of village service providers and agro-dealers supported by the project to improve their service delivery and business skills							Project baseline study, mid-term review and completion report Specialised thematic studies	Baseline, Mid-term, Completion	PCU M&E unit	Stability of project area is not adversely affected Climate change effects are contained
	Service provider/agro-dealer	0	20	60							
	MSPs Trained				22	79					
	SSPs trained				47	229					
	Blacksmith and Mechanics Trained				21	36					
	Agrodealers trained										
<b>Output</b> Climate Change resilient on-farm and innovation demonstrations established	1.1.4 Persons trained in production practices and/or technologies							PCU and stakeholder records	Quarterly basis	PCU M&E unit	
	Total number of attendances to training sessions				841	3 231					

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
	Men trained in crop		7 950	14 310	404	1 301	9.1				
	Women trained in crop		7 050	12 690	437	1 930	15.2				
	Young people trained in crop		4 650	8 370	252	1 100	13.1				
	Total persons trained in crop	0	15 000	27 000	841	3 231	12				
<b>Output</b> Targeted support to Women home garden (jubraka) cultivation to improve nutrition	1.1.8 Households provided with targeted support to improve their nutrition							progress reports	annual		
	Total persons participating	0		10 150	714	1 493	14.7				
	Females	0	5 000	10 150	714	1 493	14.7				
	Households	0	5 000	10 150	714	1 493	14.7				
<b>Output</b> Higher Engagement of local SMEs with National Private Sector Companies	Number of local SMEs (input suppliers, service providers) with business connections to the private sector							PCU and stakeholder records	Quarterly basis	PCU M&E unit	
	SME	0	40	200	0	0	0				
<b>Outcome</b> Higher income for smallholder producers	Percentage of smallholder farmers reporting at least 20% increase in income							Project baseline study, mid-term review and completion report	Baseline, Mid-term, Completion	PCU M&E unit	Stability of prices in agricultural commodities
	Smallholders farmers	0	40	80	0	0	0				
<b>Output</b> Improved physical market access (wadi crossings)	Number of climate resilient wadi crossings constructed							PCU and stakeholder	Monthly basis	PCU M&E unit	Stability of prices in agricultural commodities.
	Crossing	0	15	24	2	2	8.3				
<b>Output</b> Increased value added (village processing) and market linkage.	Production and processing facilities supported with increased water availability and efficiency							PCU and stakeholder records	Monthly basis	PCU M&E unit	Stability of prices in agricultural commodities
	Facilities	0	30	85	0						

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
<b>Outcome</b> Sustainable pro-poor financial and organizational environment established	2.2.3 Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities							Project baseline study, mid-term review and completion report □ PFI records	Baseline, Mid-term, Completion Monthly basis	PCU M&E unit PFIs	Macroeconomic conditions remains stable
	Number of POs	0	80	130	3	5	3.8				
	1.2.5 Households reporting using rural financial services							Baseline, MTR and completion survey	BL, PCR	PCU M&E unit PFIs	
	Total number of household members										
	Males										
	Females										
	Young										
	Not Young										
	Households	0	15 000	25 000	492	492	2				
	2.2.5 Rural producers' organizations reporting an increase in sales										
	Percentage of rural POs	0	30	75							
Number of Rural POs	0	45	98								
Rural POs with women in leadership position	0										

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
<b>Output</b> Pro-poor financial institutions fully operational in project area	Number of local service providers taking loans and/or loan insurance							Project baseline study, mid-term review and completion report; PFI records	Baseline, Mid-term, Completion Monthly basis	PCU M&E unit; PFIs	Macroeconomic conditions remains stable
	Service provider	0	30	60	0	0	0				
<b>Output</b> Farmers associations strengthened	Number of producer's associations established and registered							Project baseline study, mid-term review and completion report; PFI records	Baseline, Mid-term, Completion Monthly basis	PCU M&E unit; PFIs	Macroeconomic conditions remains stable
	Producer association	0	80	130	0	0	0				
<b>Output</b> Business oriented production and marketing systems established	Number of smallholder farmers reporting increase in sales							Project baseline study, mid-term review and completion report; PFI records	Baseline, Mid-term, Completion Monthly basis	PCU M&E unit; PFIs	Macroeconomic conditions remains stable
	People	0	11 000	21 600	0	0	0				
	2.1.4 Supported rural producers that are members of a rural producers' organization										
	Total number of persons		11 000	21 600		0	0				
	Males					0					
	Females					0					
Women in leadership position					0						



Investing in rural people

## Sudan

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### Integrated Agriculture and Marketing Development Project

### Supervision Report

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

Mission Dates: 20/09/2020 - 09/10/2020

Document Date: 11/11/2020

Project No. 2000001517

Report No. 5539-SD

Near East, North Africa and Europe Division  
Programme Management Department



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

Table 1A: Financial performance- Disbursement by financier as at 31 August 2020 in (EUR'000)

Financier	Approved	Disbursed	Per cent disbursed %
IFAD Grant (DSF)	22 400	6 565	29
Private sector	8 785	188	2
Beneficiaries	2 165	309	14
Government	7 559	894	12
<b>Total</b>	<b>40 908</b>	<b>7 956</b>	<b>19</b>

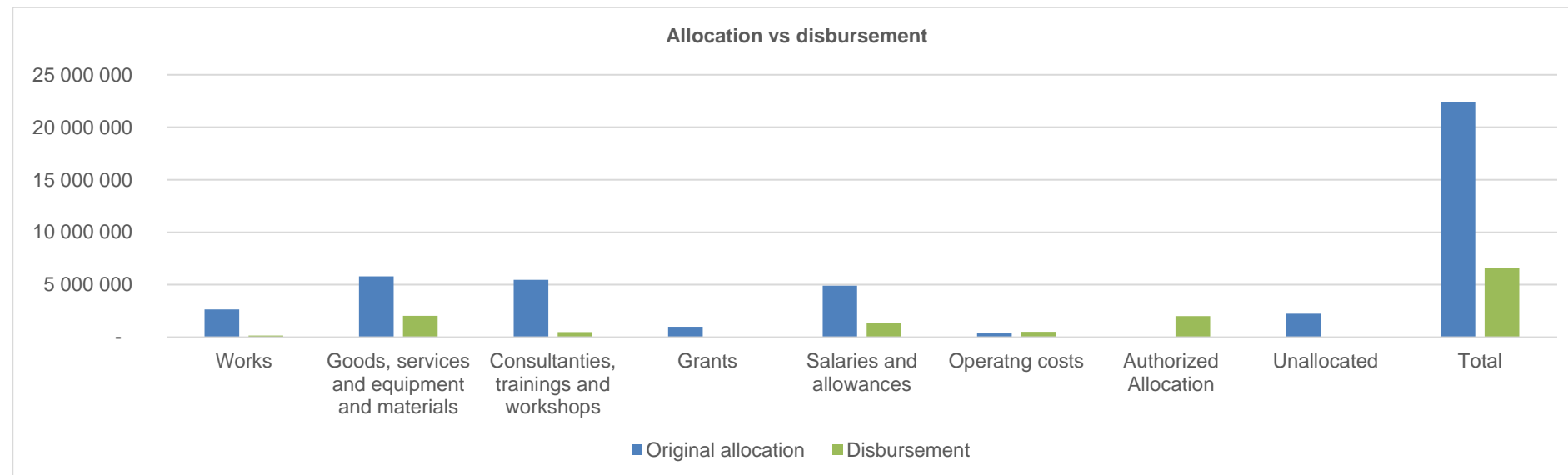
Table 1B: Financial performance by financier – Actual expenditures by component in (EUR'000) as at 31 August 2020

Component	IFAD grant			Government			Private sector			Beneficiaries			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
1. Enhanced crop productivity & production	10 817	1 874	17%	2 325	69	3%	82	5	6%	3	309	8 984%	13 228	2 257	17%
2. Market linkage and value addition	5 134	302	6%	1 171	13	1%	185	-	0%	400	-	0%	6 890	315	5%
3. Enabling environment	2 821	186	7%	2 683	13	0%	8 518	183	2%	1 761	-	0%	15 784	382	2%
4. Project implementation	3 628	2 596	72%	1 378	691	63%	-	-	0%	-	-	0%	5 006	3 287	66%
<b>Total</b>	<b>22 400</b>	<b>4 958</b>	<b>22%</b>	<b>7 557</b>	<b>786</b>	<b>10%</b>	<b>8 785</b>	<b>188</b>	<b>2%</b>	<b>2 165</b>	<b>309</b>	<b>14%</b>	<b>40 908</b>	<b>6 241</b>	<b>15%</b>

**Table 1C: IFAD grant disbursements (EUR as at 31 August 2020)**

Category	Category description	Original Allocation	Revised Allocation	Disbursement	Per cent disbursed
I	Works	2 640 000	-	148 251	6%
II	Goods, services and eqpt & materials	5 800 000	-	2 035 701	35%
III	Consultancies, trainings and workshops	5 470 000	-	490 308	9%
IV	Grants	990 000	-	-	0%
V	Salaries and allowances	4 900 000	-	1 371 634	28%
VI	Operating costs	360 000	-	519 472	144%
	Initial deposit			2 000 000	
	Unallocated	2 240 000	-		0%
	<b>Total</b>	<b>22 400 000</b>	<b>-</b>	<b>6 565 366</b>	<b>29%</b>

**Figure 1: IFAD grant disbursement, comparisons between allocation and disbursement in EUR as at 31 August 2020)**







## Sudan

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### **Integrated Agriculture and Marketing Development Project Supervision Report**

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

Mission Dates: 20/09/2020 - 09/10/2020  
Document Date: 11/11/2020  
Project No. 2000001517  
Report No. 5539-SD

Near East, North Africa and Europe Division  
Programme Management Department



## Appendix 1: Physical Progress Measured against AWP&B

Component/Outcome <i>Sub-component or Output</i>	Indicator	Unit	Period: January to August			Cumulative Actual	Appraisal Target	%
			AWP&B	Actual	%			
<b>Component 1 /Outcome: Enhanced smallholder climate resilient productivity and production</b>								
1.2.4 Households reporting an increase in production								
	- Households - Percentage (%)	%						
	- Households - Number	Number						
1.2.2 Households reporting adoption of new/improved inputs, technologies or practices								
	- Households - Number							
	<i>Output 1.1 Private service provider and agro-dealer capacity built</i>	Number of village service providers and agro-dealers supported by the project to improve their service delivery and business skills						
	- Service provider/agro-dealer number	Number	11	0	0%	0	80	0%
	- MSPs trained	Number	29	22	83%	63	100	63%
	- SSPs trained	Number	226	92	41%	171	500	34%
	- Blacksmiths and mechanics trained	Number	57	21	37%	21	120	18%
	- Agro-dealers trained	Number	11	0	0%	0	120	0%
	- Selection and training of village agents	Number	46	18	39%	18	120	15%
	Output 1.2 Climate Change resilient on-farm and innovation demonstrations established	Persons trained in production practices and/or technologies						

Republic of Sudan  
Integrated Agricultural and Marketing Development Project (IAMDP)  
Supervision Mission Aide Memoire; Mission Dates: 20<sup>th</sup> September – 9<sup>th</sup> October 2020

Component/Outcome <i>Sub-component or Output</i>	Indicator	Unit	Period: January to August			Cumulative Actual	Appraisal Target	%
			AWP&B	Actual	%			
	- Communities covered with on-farm demonstrations	Number	32	32	100%	60	100	60%
	- Farmers participating in on-farm demonstrations (Male)	Number	480	404	84%	778	1500	52%
	- Farmers participating in on-farm demonstrations (Female)	Number	480	437	91%	794	1000	79%
	- Area under on Farm Demonstrations	Fed	3840	3473	90%	6262	12000	52%
	- Private Sector Companies participating in innovative demos	Number	10	6	60%	13	12	92%
	- Locations of innovative demos	Number	13	13	100%	27	50	54%
	- Contact Farmers managing innovative demos (Male)	Number	39	41	95%	151	700	22%
	- Contact Farmers managing innovative demos (Female)	Number	39	39	100	136	500	27%
	- Area under innovation demos	Number	260	158	61%	631	2500	25%
	- Farmers exposed to new technologies through demos (Male)	Fed	1500	1053	70%	13196	32400	41%
	- Farmers exposed to new technologies through demos (Female)	Number	1500	770	51%	12713	21600	59%
	- New communities covered with Jubraka plots	Number	45	45	100%	73	50	146%
	- Old communities covered with Jubraka plots	Number	46	46	100%	54	50	108%
	- Women participating in Jubraka plots	Number	1550	1628	105%	2284	6000	38%
	- Area of Jubraka Plots	Number	775	814	105%	1029	3000	34%
	- GAPAs established (new)	Fed	20	0	0%	0	150	0%
	- GAPASs trained (old and new)	Number	20	0	0%	0	200	0%

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Component/Outcome <i>Sub-component or Output</i>	Indicator	Unit	Period: January to August			Cumulative Actual	Appraisal Target	%
			AWP&B	Actual	%			
	- GAPAs registered	Number	20	0	0%	0	350	0%
	- Members of GAPAs (Male)	Number	500	0	0%	0	17500	0%
	- Area under on-farm demos	Fed	3840	3473	90%	6262	12000	52%
	- Certified seeds for on-farm demos	Ton	70	68	97%	101.2	120	84%
	- Certified seeds for innovation demos	Ton	4	3.8	95%	9.1	20	46%
	- Certified seeds for Jubraka	Ton	2.5	2.02	81%	2.52	2	126%
	- Men trained in crop - Number	Number	480	404	84%	778	1500	52%
	- Women trained in crop - Number	Number	480	437	91%	794	1000	79%
	- Young people trained in crop -	Number	384	338	88%	629	1000	63%
	- Total persons trained in crop - Number of people	Number	960	840	88%	1572	2500	63%
	- Field days	Number	160	39	24%	45	1020	4%
	- Harvest days	Number	13	0	0%	0	20	0%
	- Extension campaigns	Number	18	6		6	65	
	<i>Output 1.3 Higher Engagement of local SMEs with National Private Sector Companies</i>	Number of local SMEs (input suppliers, service providers) with business connections to the private sector						
		SME - Number						
<b>Component 2 / Outcome: Higher income for smallholder producers</b>								
Percentage of smallholder farmers reporting at least 20% increase in income								
	- Smallholders farmers - Percentage (%)							
	<i>Output 2.1: Improved physical</i>	Number of climate resilient wadi crossings constructed						

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Component/Outcome Sub-component or Output	Indicator	Unit	Period: January to August			Cumulative Actual	Appraisal Target	%
			AWP&B	Actual	%			
market access (Wadi crossing)	- Construction of pipe culverts	Number	6	2	33%	2	44	5%
	- Construction of box culverts	Number	2	0	0	0	2	0%
Output 2.2: Increased value added (village processing) and market linkage.	Production and processing facilities supported with increased water availability and efficiency							
	- Facilities - Number							
	- Construction of grain stores at communities	Number	5	0	0%	0	13	0%
	- Construction of Wad El Nayal Market	Number	0	0	0%	0	1	0%
	- PPP and Business Development International Consultant	Person Month	4	3	75%	3	8	38%
	- Innovation Scaling up Matching Grant (ISMG) Facility established	Facility	1	0	0%	0	1	0%
	- Innovation Scaling Up Matching Grant (ISMG) implemented	Number	4	0	0%	0	15	0%
	- Dynamic pricing study	Study	1	0	0%	0	1	0%
	- Mobile groundnut shelling study	Study	1	0	0%	0	1	0%
	- Storage financing study	Study	1	0	0%	0	1	0%
	- Unrefined oil/seedcake study	Study	1	0	0%	0	1	0%
	- Gum Arabic grading and packing study	Study	1	0	0%	0	1	0%
	- Improving Smallholder access to wholesale and auction markets study	Study	1	0	0%	0	1	0%
	- Tools and equipment for direct support market and value addition	Set	8	0	0%	0	32	0%
	- Training of management staff of Wad El Nayal market	Course	1	0	0%	0	4	0%

Component/Outcome <i>Sub-component or Output</i>	Indicator	Unit	Period: January to August			Cumulative Actual	Appraisal Target	%
			AWP&B	Actual	%			
	-							
<b>Component 3/Outcome: Sustainable pro-poor financial and organizational environment established</b>								
	2.2.3 Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities							
	- Number of POs - Number							
<i>Output 3.1: Pro-poor financial institutions fully operational in project area</i>	Number of local service providers taking loans and/or loan insurance	Number						
	- Service provider - Number	Number						
	1.2.5 Households reporting using rural financial services							
	- Households - Number	Number						
<i>Output 3.2: Farmers associations strengthened</i>	Number of producer's associations established and registered							
	- Producer association - Number	Number						
	- Development of FAAB for illiterate/semi-illiterate curriculum	Number				1	1	100%
	- Development of service provider FAAB modules	Number				2	3	67%
	- PFIs assisted to expand outreach	Number	3	0	0%	5	0	0%
	- FPAs apex formed	Number	0	0	0%	0	26	0%
	- FPAs trained	Number	0	0	0%	0	26	0%
	- FPAs registered	Number	0	0	0%	0	26	0%
	- Farming as a Business national consultant	Person month	6	3	50%	3	22	14%



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Component/Outcome <i>Sub-component or Output</i>	Indicator	Unit	Period: January to August			Cumulative Actual	Appraisal Target	%
			AWP&B	Actual	%			
	- Community development national consultant	Person month	2	0	0%	0	4	0%
	- Gum Arabic Business specialist-national	Person month	0	0	0%	0	1	0%
	- Updating savings and credit manual	Person month	1	1	100%	1	1	100%
	- PFIs training and capacity building	Course	1	0	0%	0	5	0%
	- PFIs exposure to the project demonstrations	Person	20	0	0%	0	150	0%
	- Formation of village savings and credit groups (VSCG) - Male	Number	10	8	80%	8	200	4%
	- Formation of village savings and credit groups (VSCG) - Female	Number	100	126	126%	86	1000	9%
	- Members of VSCG (Female)	Number	2000	1577	79%	1498	20000	7%
	- Members of VSCG (Male)	Number	200	917	459%	1069	4000	27%
	- Number of VSCGs registered	Number	110	0	0%	0	1000	0%
	- Total amount of savings by VSCGs	Million SDG	1	0.26	26%	0.26	12	2%
	- Total amount of loans received by VSCGs	Million SDG	5.5	3.9	71%	3.9	120	3%
	- Demonstration of post-harvest village storage loans	Number	0	0	0	0	10	0%
	- Total amount of Matching equity support (crop production)	Million SDG	0	0	0	0	72	0%
	- Total amount of Matching equity support for Jubraka	Million SDG	0.4	0	0%	0	7	0%
	-							
<i>Output 3.3: Business oriented production and marketing</i>	Number of smallholder farmers reporting increase in sales							

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Component/Outcome Sub-component or Output	Indicator	Unit	Period: January to August			Cumulative Actual	Appraisal Target	%
			AWP&B	Actual	%			
	systems established							
	- People - Number							
	- Communities entered into contractual agreement	Number	5	3	60%	5	50	10%
	- PSCs entered into contractual agreement with farmers	Number	7	5	71%	8	10	80%
	- Area under contractual agreement with PSCs	Fed	2500	2198	88%	4346	10000	43%
	- Farmers under contractual agreement with PSCs (Male)	Number	300	268	89%	578	4000	14%
	- Farmers under contractual agreement with PSCs (Female)	Number	100	73	73%	162	4000	4%
	- Farmers under contractual agreement received pre-finance (Male)	Number	300	200	67%	510	7000	7%
	- Farmers under contractual agreement received pre-finance (Female)	Number	100	70	70%	159	3000	5%
	- Total amount of pre-finance received by farmers	Million SDG	6	4.3	72%	8.8	150	6%
	- Introduction of FAAB to Government officials	Workshop	4	0	0%	4	8	50%
	- Training of small farmers in FAAB (New villages)	Farmer	1170	0	0%	1044	16000	7%
	- Training of small farmers in FAAB (Males)	Number	670	0	0%	528	2000	26%
	- Training of small farmers in FAAB (Females)	Number	500	0	0%	521	2000	26%
	- Training of small farmers in FAAB (Youth)	Number	500	0	0%	520	3000	17%

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Component/Outcome <i>Sub-component or Output</i>	Indicator	Unit	Period: January to August			Cumulative Actual	Appraisal Target	%
			AWP&B	Actual	%			
	- Training of FPAs in organization and management	FPA	0	0	0%	0	174	0%
	- Training of SCG facilitator of SCG methodology (Male)	Number	30	6	20%	36	160	23%
	- Training of SCG facilitator of SCG methodology (Female)	Number	15	6	40%	80	160	50%
	- Training of SCG facilitator of SCG methodology (Youth)	Number	30	12	40%	83	200	42%
	-							
<b>Component 4 / Outcome</b>								
	- Comprehensive Baseline Study	Study	1	0	0%	0	1	0%
	- Develop Knowledge Management strategy	Person month	2	2	100%	2	2	100%
	- Develop accounting system	Contract				1	1	100%
	- Mechanization National Consultant	Person month	4	2	50%	2	24	8%
	- Crop production national consultant	Person month	4	0	0%	0	24	0%
	- Agro-forestry national consultant	Person month	4	2	50%	2	24	8%
	- Conduct annual review and planning workshop	Workshop	1	0	0%	1	5	20%
	- Training of PCU staff (External)	Number	5	0	0%	1	5	20%
	- Training of PCU staff (Internal)	Number	3	0	0%	3	27	11%
	- Project start-up workshop PSIUs	Workshop				4	4	100%
	- Training of PSIU staff (External)	Person	20	0	0%	0	72	0%
	- Training of PSIU staff (Internal)	Person	20	12	60%	32	108	30%
	- GALS training for facilitators	Number	20	0	0%	21	24	88%
	- M&E Surveys and annual review	Survey	4	0	0%	4	12	33%

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<b>Component/Outcome</b> <i>Sub-component or Output</i>	<b>Indicator</b>	<b>Unit</b>	<b>Period: January to August</b>			<b>Cumulative Actual</b>	<b>Appraisal Target</b>	<b>%</b>
			<b>AWP&amp;B</b>	<b>Actual</b>	<b>%</b>			
	- Training of LET staff (External)	Person	15	0	0%	0	78	0%
	- Training of LET staff (Internal)	Person	100	68	68%	133	156	85%
	- Gender sensitization training for new communities	Number				26	71	37%
	- Gender training for community members (Males)	Number	150	0	0%	118	5000	2%
	- Gender training for community members (Females)	Number	150	0	0%	163	5000	3%
	- GALS champions training	Number	30	0	0%	30	280	11%
	- GALS training for community members (Males)	Number	250	0	0%	374	10000	4%
	- GALS training for community members (Females)	Number	250	0	0%	537	15000	4%
	- GALS training for community members (Youth)	Number	300	0	0%	257	6250	4%

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### **Integrated Agriculture and Marketing Development Project Supervision Report**

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

Mission Dates: 20/09/2020 - 09/10/2020  
Document Date: 11/11/2020  
Project No. 2000001517  
Report No. 5539-SD

Near East, North Africa and Europe Division  
Programme Management Department



## Appendix 3.1: Compliance with Legal Covenants – Status of Implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
<b>Section B 3. LtR Section C. 13.</b>	A Designated Account should be opened in the Central Bank of Sudan or a commercial bank	At project start	Complied with	
<b>Section B 4.</b>	The Recipient shall provide counterpart financing (CPF) for the Project equivalent to EUR 7 550 000 covering taxes, customs & duties and its share towards salaries & allowances CPF should be transferred timely and sufficiently to the Project Bank account in accordance with approved AWPB.	In accordance with approved AWPB.	Complied with	GoS has refunded all its arrears to IFAD. GoS makes monthly bank transfers to IAMDP operational bank account to meet its share towards staff salaries insurance.
<b>Conditions precedent to withdrawal</b>	(a) A Financial Manager appointed at PCU under IFAD N.O. (b) The draft PIM have been submitted and approved (c) A fully functional accounting software installed at PCU and SPIU under IFAD N.O.	Precedent to fist withdrawal	Complied with	
<b>Schedule 3</b>	Project Assets. The Recipient shall ensure that the remaining assets of the SUSTAIN and SDP projects will be transferred to the IAMDP as appropriate	At project start	Partially complied with	Assets register do not include remaining assets of the SUSTAIN and SDP projects were transferred to the IAMDP
<b>LtR Section A. 8.</b>	Direct payment to be used for payment more than EUR 200 000 equivalent made in hard currency to parties rendering services outside to Sudan	Continuous	Complied with	
<b>LtR Section B. 10.</b>	SOE threshold: Categories I, II, III: up to a contract or invoice of EUR 200 000 Categories IV, V, VI: All expenditures	Continuous	Complied with	
<b>LtR Section D. 16.</b>	The PCU to manage a pool of project accounts in Sudanese Pound (SDG) to be opened in the Central Bank of Sudan or commercial bank to receive funds from DA.	Continuous	Complied with	At PCU level, one project account opened in SDG to receive money from the DA and 4 bank accounts at Sinnar's state, WK, SK and NK .

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<b>GC Section 7.02.</b>	b) The Borrower may open and maintain one or more Project Accounts for Project operations in a bank	Continuous	Complied with	
<b>PCU Ltr Section D. 17.</b>	Four SIU accounts to be administrated following the revolving fund modality.	Continuous	Complied with	
<b>Ltr Section D. 19.</b>	Separate ledgers to be set up and maintained for each financing source: IFAD grant; counterpart funds; beneficiaries contributions and co- financier funds	At project start -	Not complied with	Although GoS contributions are registered under separate ledger from IFAD Grant, MSP contributions are registered under GoS contributions
<b>Ltr Section E. 21.</b>	Counterpart funding to be deposited in advance and on quarterly basis to the pool project account (which will also receive funds from the DA).	Continuous	Complied with	Government counterpart contribution is deposited on a monthly basis in the main bank operation account
<b>Ltr Section G. 27</b>	1. The recipient must submit to IFAD detailed FS 2. ... Counterpart contributions ...to be duly valued and accounted for in the FS 3. Start-up costs must be accounted for and included in the first set of FS prepared and subject to audit	Continuous	1 &3. complied with 2 Not complied with	Rental costs, paid by MSPs against lease of agricultural equipment have not been reflected under the private sector contribution.
<b>Ltr Section G. 28</b>	Half yearly IFR to be submitted to IFAD within 45 days after the period- end	Each half year	Complied with	the IFR for the first semester of 2020 were submitted to IFAD on 23 <sup>rd</sup> July 2020
<b>GC Section 7.01.</b>	Before each Project Year, the LPA shall submit the draft AWPB to the Fund no later than sixty days before the beginning of the relevant Project Year.		Not complied with	Submission date of AWPB was 12/12/2019 IFAD No Objection : 15/1/2019
<b>GC Section 7.03.</b>	...the Recipient shall make available .. such funds, facilities, services as may be required to carry out the Project in accordance with Section 7.01.	Continuous	Complied with	
<b>GC Section 7.08. Insurance</b>	(a)The Lead Project Agency shall insure all goods and buildings used in the Project against such risks	Continuous	Not fully complied with	Office and agricultural equipment still not yet insured.
<b>GC Section 7.11.</b>	The LPA shall insure key Project personnel against health and accident risks to the extent consistent ..	Continuous	Not complied with	
<b>GC Section 9.02.</b>	The Borrower shall deliver to the Fund detailed financial statements ... within 4 months of the end of each Fiscal Year.	30 April each year	Complied with	
<b>GC Section 9.03. Audit of Accounts</b>	The Borrower shall: ...within 6 months of the end of each FY, furnish to the Fund a certified copy of the audit report. ..the reply to the management letter to auditors within 1 month of receipt thereof;	30 June, each year	Not complied with	Audit report year 2018-2019, although received in Sept 2020 is not yet communicated to IFAD



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<b>GC Section 11.02. Tax Refunds</b>	If the Fund determines at any time that any amount of Financing proceeds have been used to pay Taxes, it may require the Borrower/ to refund such amount promptly to the Fund.	Continuous	Complied with	SOE's review revealed the payment of VAT with IFAD Grant proceeds.
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## Appendix 3.2: SOEs review - Main findings

Weaknesses and ineligible expenditures	Recommendations
<ol style="list-style-type: none"> <li>1. Often supporting documents are missing: ex. Purchase order, contract or agreement</li> <li>2. Missing proof of payment: No evidence is provided that the final payee has effectively received his/her money</li> <li>3. Date or name of the project are missing on some invoices</li> <li>4. Purchase order is not dated, unable to check whether it is issued before or after the invoice</li> <li>5. Purchase order is often unclear and difficult to understand as it is fully handwritten</li> <li>6. A same provider for a repetitive purchase Good/ service and for large amount of transactions. No information regarding hiring modality and no contract or agreement is attached</li> <li>7. Major delays in invoice payment: some invoices dated since march 2019 or even in year 2018 for payment done in July 2020</li> <li>8. Sometimes date on the check is prior to the "certificate of service done" date</li> </ol>	<p>Use templates as provided by the PIM-FM manual</p> <p>Harmonize templates in all SPIUs</p> <p>Update the FM manual accordingly</p> <p>Train FM team on IFAD FM disbursement and procedures</p>

9. Consultant invoice is not mentioning daily rate and fees calculation: only number of days are indicated. At the bottom of the invoice sheet, the FM makes manual calculations.
  10. Ineligible expenditure due to inappropriate DSA calculation: number of days are used instead of number of nights
  11. Ineligible expenditures due to VAT paid under IFAD Grant proceeds instead the GoS
  12. Ineligible expenditures due to non-compliance with the receipt minutes resolutions
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Investing in rural people

## Sudan

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### **Integrated Agriculture and Marketing Development Project Supervision Report**

#### **Appendix 4: Technical background analysis**

Mission Dates: 20/09/2020 - 09/10/2020

Document Date: 11/11/2020

Project No. 2000001517

Report No. 5539-SD

Near East, North Africa and Europe Division  
Programme Management Department



## Appendix 4: Technical Background Analysis

### I. On-Farm Demonstrations: Lessons From Analysis of the Crop Budgets

1. *Introduction* – The mission reviewed gross margin budgets produced by the project. Data was obtained from report on review of 2019 on-farm demonstrations by the project. A control group of 84 farmers practicing traditional methods were used as a basis for comparison because demonstrations lacked control plots. It is pertinent to point out that comparisons between farmer practice and demonstration are confounded by planting date. On-farm demonstrations were planted late, and with low and variable rainfall, catching a full season of rainfall is critical to good performance. The analysis has been done to answer the question “what message did the demonstrations convey to farmers with regards to profitability of the improved package?”

2. *Farmer Practice* – This mainly consisted of tillage using wide disk, non-certified seed of mixture of improved and local varieties, broadcasting for sesame and hand dug planting stations for groundnut, hand weeding, and manual harvesting. None of the farmers applied fertilizers to fields assessed.

3. *Improved Package* – This varied with state but generally included chiseling (heavy or light), mechanical/pneumatic planter and herbicide. Fertilizers were missing from the package in all localities.

4. The results of the analysis are summarized in the below tables; these are presented by State.

**Table 1: Comparative performance in gross profit<sup>a</sup> (SDG/ha) realized from traditional and improved production systems in three localities of Sinnar State**

Locality	Groundnut		Sorghum		Sesame	
	Farmer practice	Project package	Farmer practice	Project package	Farmer practice	Project package
Abu Hujar	-3698	<b>22,166</b>	9326	<b>18773</b>	<b>14,818</b>	12,852
Eldinder	<b>28,920</b>	7,195	14,122	<b>27,554</b>	9,082	<b>20,302</b>
El Dali	<b>34,673</b>	30,665	6749	<b>16,973</b>	16,913	<b>26,376</b>

<sup>a</sup>Option with higher gross margin is highlighted in the table.

5. From the results in Table 1, the message to farmers in the three localities in Sinnar was that the improved package was profitable for sorghum and sesame and not for groundnut.

**Table 2: Comparative performance in gross profit<sup>a</sup> (SDG/ha) realized from traditional and improved production systems in three localities of North Kordofan State**

Locality	Groundnut		Sorghum		Sesame	
	Farmer practice	Project package	Farmer practice	Project package	Farmer practice	Project package
El Rahad	<b>26,119</b>	14,712	-	-	<b>6,276</b>	2,359
Sheikan	-	18,881	1,666	-	4,442	<b>8,815</b>
Um Ruwaba	-	-	2,390	<b>7,180</b>	-	-

<sup>a</sup>Option with higher gross margin is highlighted in the table.

6. There are many gaps in the data for North Kordofan but available data shows there is no consistent advantage for the improved package. Farmers in the control group in all three localities used the chisel which they adopted from SDP.

**Table 3: Comparative performance in gross profit<sup>a</sup> (SDG/ha) realized from traditional and improved production systems in four localities of South Kordofan State**

Locality	Groundnut		Sorghum		Sesame	
	Farmer practice	Project package	Farmer practice	Project package	Farmer practice	Project package
El Goz	<b>9,593</b>	5,367	7,510	<b>14,712</b>	-	-
El Abbasiya	-	-	12,079	<b>26,063</b>	<b>17,767</b>	5,765
El Tadamon	-	-	2,866	<b>12,672</b>	7,812	<b>21,331</b>
El Rashad	5,983	<b>11,088</b>	4,807	<b>6,101</b>	-	-

<sup>a</sup>Option with higher gross margin is highlighted in the table.

7. The traditional package was adjusted for land preparation which was not shown in the tables provided to the Mission for South Kordofan. There is a consistent message for farmers with regard to profitability of improved sorghum package but not for groundnut and sesame.

**Table 4: Comparative performance in gross profit<sup>a</sup> (SDG/ha) realized from traditional and improved production systems in three localities of West Kordofan State**

Locality	Groundnut		Sorghum		Sesame	
	Farmer practice	Project package	Farmer practice	Project package	Farmer practice	Project package
Abu Zabad	11,878	<b>16,042</b>	10,094	-	11,196	<b>11,690</b>
El Khuwai	<b>23,717</b>	9,170	-	-	<b>19,663</b>	9,214
El Sunout	11,618	<b>17,784</b>	17,078	<b>22,598</b>	-	24,377

<sup>a</sup>Option with higher gross margin is highlighted in the table.

8. Performance of the improved package was also not consistent in West Kordofan

9. *Conclusion* – The results did not convey the intended message by the Project. The improved package was not consistent in performance with the exception of sorghum in Sinnar and South Kordofan. This makes it difficult to convince farmers to adopt the improved package for groundnut and sesame. Execution of demonstrations must follow best management practices to so s to yield expected results and convey intended messages to the target beneficiaries.

10. *Recommendations* – The project package consisting chiseling (heavy or light), ditcher, mechanical/pneumatic planter, fertilizer, certified seed, seed dressing, herbicide, mechanical harvesting was not implemented in full at any of the sites in 2019. This was mainly due to delays in procurement of inputs and services (e.g. MSPs). To have impact, planning must deliver efficient and timely coordination of key activities as noted hereunder:

- Procure inputs for demonstrations well in advance of the season to allow for timely distribution of bulky inputs such as NPK fertilizers to remote areas with poor road network;
- Select sites before crops are removed from the field to get better judgement of the site;
- Procure MSPs early, train tractor operators and supervise operations for quality work. Start land preparation activities early well in advance of beginning of rains;
- Train farmers and local extension staff in good agricultural practices before implementation of demonstrations and ensure that all the components are present and demonstrated;
- Agree with the farmer the establishment of a control plot. The farmer should begin the planting activity in the control plot at the same time as the demonstration plot but must proceed in their normal pace to complete the activity;
- Train farmers in simple record keeping and provide record books to record activities done in the control plots; and
- At the end of the season, assist farmers analyze their records to show returns realized from their plots and the demonstration.

11. It should be emphasized that a demonstration that is poorly executed only serves to discourage adoption.



## II. Technical Guidance Note on Selected Activities of Component 2: Market Linkage, Storage, and Value Addition

### 1. The Innovation Scale-up Challenge Grant (ISCG)

Some of partner companies interviewed in this mission show their interest in applying to ISCG. Nectar Group, Rans, Nile Sun and ASSCO which are all seed companies are interested in establishing seed processing and storage facilities in North and South Kordofan States. Lamda Engineering company has unfinished training centre in Um Rwabba in North Kordofan for training and maintenance of mall tractors and interested to apply for the grant to complete it. IAMDP has to make sure the above mentioned companies get to know the ISCG advertisement by personal contact, because the facilities they interested to establish will help bringing seed close to agro-dealers and farmers in the project areas and provides specialised training for MSPs drivers'. To ensure implementation of ISCG in year 2021, the following timetable is suggested for the project:

#### Preparatory and selection phase:

Step	Activity	deadline of processing	Responsibility
1	Approval of the ISCG manual by project steering committee	30/11/2020	Project steering committee
2	Formation of the ISCG facility (committee)	15/12/2020	Project steering committee
	Formation of the ISCG technical committee/s	15/12/2020	Project steering committee
3	Advertise the Request for Proposal RFP(concept note)	7/1/2021	CCU
4	Concept Note Submission	7/2/2021	CCU
5	Concept Note Internal Review	21/2/2021	ISCG higher committee
	Notice to companies of accepted and rejected concept notes	28/2/2021	CCU
6	Proposal Submission for accepted concept notes	21/3/2021	CCU
7	Proposal Internal Review	7/4/2021	Technical committee
8	Winning RFPs passed to the PCU for further processing in consultation with the PSCs	14/4/2021	Technical committee
9	Preparation of tender doc for the winning ICGs	7/5/2021	PCU
10	Sending bidding doc for IFAD for No Objection	14/5/2021	PCU

#### ISCG execution phase:

Step	Activity	deadline of processing	Responsibility
1	Tender advertise for bidders (suppliers/contractor)	21/5/2021	CCU
2	Bidding doc evaluated by the procurement committee	21/6/2021	PCU
3	Bidding evaluation report sends to IFAD for No Objection	7/7/2021	PCU
4	Letter of award sends to the winning bidder	14/7/2021	PCU
5	Arrangement between the PSC and the PCU for payment plans	21/7/2021	PCU
6	Contract be signed by the PSC with the winning supplier/Contractor	31/7/2021	PCU and PSC
7	Final work (goods) is handed over / delivered to the PSC through a joint committee	31/12/2021	PCU

**Coordination with Agricultural Mechanization Directorate- Ministry of Agriculture and Forestry:**

**Areas of cooperation shall include:**

- a) Propose Sudanese's machinery suppliers which import or manufacture tested small equipment suitable for small farmers; emphasis has to be put on new models of single-axel/ walking behind tractor and small four wheel tractors with 25-40 HP with attachments for farm and off-farm. The expected available attachments are:
  - I. Farm equipments: Cultivator, planter, sprayer ...etc.
  - II. Off-farm equipments: trailer, grain miller, generator, water pump, Groundnut sheller, metal welding machine ...etc.
  - III. Attachments match with the old single-axel and 4 wheel 25 Hp tractors handed over by SDP.
- b) Development of training curriculum for village-based service providers in the target villages:
  - I. **Tractor drivers' training:**
    - a. Beginners' youth who are interested in practicing driving as a profession.
    - b. Advance training for practicing drivers who have limited skills.
  - II. **Tractor mechanics training:**
    - a. Beginners' training for youth who are interested in practicing mechanics as a profession.
    - b. Advance training for practicing mechanics who have limited skills.
  - III. **Blacksmith training:**
    - a. Beginners' training for youth who are interested in becoming professional blacksmiths.
    - b. Advance training for practicing blacksmith who have limited skills.
  - IV. **Training for mechanization specialists at extension team level.**

**Since the number of villages to be served by the project is high (129) then villages may be divided into clusters and training will include one or two trainees for each cluster.**

The training programs developed by Agricultural Mechanization Directorate are outlined below:

**2.1 Tractor drivers' training:**

**2.1.1 Training program for practicing tractors' drivers:**

#	Subject	Training hours / trainee	
		Theory	Practical
1	Measurement instruments	2	
2	Types of agricultural tractors and their uses	2	-
3	Principle of internal combustion engines mechanics	3	
4	Tractor's systems and their maintenance (injection, charging, lubrication and cooling)	2	6
5	Tractor hydraulic systems and its maintenance	1	2
6	Cultivation implements:		
	I. Primary tillage preparation	1	6
	II. Secondary tillage preparation	1	4
	III. Planting and fertilizer application implements	1	4
	IV. Crop cultivation implements (weeding)	1	3
7	Grain harvesting machines	2	4
8	Groundnut harvesting machine	1	3
9	Sesame harvesting machine	2	3
10	Forage harvesting implements	2	3
11	Troubleshooting	2	

**2.1.2 Training program for beginner tractors' drivers**

#	Subject	Training hours / trainee	
		Theory	Practical
1	Safety measures	1	3
2	Measurement instruments	1	3
3	Types of agricultural tractors and their uses	2	-
4	Tractor components	1	3

5	Principle of internal combustion engines mechanics	1	4
6	Air filtering and charging operation and maintenance.	1	2
7	Fuel injection system operation and maintenance	1	2
8	Engine lubrication system operation and maintenance	1	2
9	Engine cooling system operation and maintenance	1	2
10	Tractor transmission system operation and maintenance	1	4
11	Tractor hydraulic system operation and maintenance	1	2
12	Primary tillage preparation implement	2	3
13	Secondary tillage preparation implements	2	3
14	Crop cultivation/weeding implements	2	3
15	Grain harvesting machines	2	3
16	Planting and fertilizer application implements	2	3
17	Groundnut harvesting machines	2	3
18	Sesame harvesting machines	2	3
19	Forage harvesting machines	2	3
20	troubleshooting	4	
<b>Driving lessons</b>			
21	Forward driving		3
22	Reverse driving		1
23	Implement attachment and tractor maneuvering		1
<b>Field training</b>			
24	Primary tillage operation		2
25	Secondary tillage operation		2
26	Crop cultivation/weeding		2
27	Grain harvesting		0.5
28	Groundnut harvesting		0.5
29	Sesame harvesting		0.5

## 2/2 Blacksmith training programs:

### 2.2.1 Metal workshop training for beginners:

#	Training subject	Training hours/ trainee	
		theory	practical
1	Safety measures	4	
2	Measurement instruments	8	
3	Heat treatment technology	6	
4	Technical drawing	20	
5	filling	10	70
6	Forging	3	17
7	Welding	10	60
8	Metal casting	2	10
9	Workshop organization	2	
10	Production economy	4	

### 2.2.2 Metal workshop training for practicing blacksmith:

#	Training subject	Training hours/ trainee	
		theory	practical
1	Safety measures	2	
2	Measurement instruments	1	4
3	Heat treatment technology	4	
4	Technical drawing	12	
5	Filling	2	16
6	Forging	1	7
7	Welding	2	18
8	Metal casting	2	10
9	Workshop organization	2	
10	Production economy	2	

**2.3 Mechanics Training program:**

**2.3.1 Training program for beginner mechanics:**

#	Subject	Training hours / trainee	
		Theory	Practical
1	Safety measures	1	2
2	Measurement instruments	1	5
3	Fitting and fixing methods	1	3
4	Equipments and instruments used	1	3
5	Tractor and engine parts	1	6
6	Engine's systems:		
	1. Charging and air filtering system	1	11
	2. Fuel and electronic ignition system	2	12
	3. Lubrication system	1	8
	4. Cooling system	1	8
	5. Power transmission system	1	15
	6. Hydraulic system	1	14
	7. Timing	2	8
	8. loosing, fixing and fitting of parts	2	12
7	Tires and breaks	1	9
8	Tractor electrical system	1	7
9	Routine maintenance and troubleshooting	2	8
10	visit		

**2.3.2 Training program for practicing mechanics**

#	Subject	Training hours / trainee	
		Theory	Practical
1	Safety measures	1	1
2	Measurement instruments	1	3
3	Fitting and fixing methods	1	1
4	Equipments and instruments used	1	1
5	Tractor and engine parts	1	2
6	Engine's systems		
	1. Charging air filtering systems	1	2
	2. Fuel and electronic ignition system	1	3
	3. Lubrication system	1	2
	4. Cooling system	1	2
	5. Hydraulic system	1	3
	6. Power transmission system	1	4
7	Tires and breaks	1	2
8	Tractor electrical system	1	3
9	Routine maintenance and troubleshooting	2	4
10	visit		
11	Evaluation and discussion		

## 2. MoU with SAGA

Possible tasks to be included in the MoU are summarized follow:

### 3.1 SSP training :

- ✓ To provide technical training and certification of SSPs at village level.
- ✓ To Support FAAB consultant in updating the business training curriculum.

### 3.2 Agro-dealers:

According to SAGA understanding those who deal with chemical without being registered at National Pesticide Council NPC should not be considered as agro-dealers. Agro-dealers are those who have university degree in agriculture and being awarded certificates from NPC showing their eligibility to deal with chemicals. For those who do not comply with agro-dealer definition should be given different name like chemical shop owners and SAGA will deal with them as SSPs stocking chemicals for their own use. Different training materials will be developed for agro-dealers and chemical shops owners suitable for their qualification and level of knowledge.

3.2.1 *Agro-dealers recognized by NPC training:* the training also include plant protection specialist at extension team level.

3.2.1.1 Develop training material and conduct the technical training.

3.2.1.2 Develop training material and conduct the business training.

3.2.2 *Chemical shop owners not recognized by NPC training:*

3.2.2.1 Develop training material and conduct the technical training.

3.2.2.2 Develop training material and conduct the business training.

3.3 To coordinate exposure visits for agro-dealers and chemical shop owners to Khartoum. IAMDP has to select the companies to be visited.

3.4 To coordinate separate exposure visits for agro-dealers and chemical shop owners to abroad countries suitable for each group.

3.5 Explore possibility of using registered organic pesticides in Jubraka.

3.6 To produce handbook for pesticides of known antidote. The handbook shall contain the pesticide group, toxicity symptoms, antidote scientific name and where the antidote can be found.

3.7 To survey and conduct a study on prevailing weeds in the project areas, classifying them and determining groups of herbicides to be used. To avoid development of weeds resistant to herbicides the study has to determine when shifting to another group of herbicide is necessary, and to specify the second group of herbicides to be used.

**3. Revision of the draft MoU prepared by Africorp company.**

**Memorandum of Understanding (MOU)**

**Between**

**Africorp International CO.LTD.**

**And**

**Agriculture and Marketing Development Project IAMDP**

**1- Introduction and objective:**

This MOU outlines an agreement between the IFAD funded, Integrated Agriculture and Marketing Development Project - IAMDP) henceforth, "The Project" and Africorp International CO.LTD. (henceforth, "The Company").

The purpose of the partnership for project and the company is to express willingness of both parties to engage in an effort to promote production and marketing of high quality Groundnut produced by smallholder farmers in the project area.

This MoU serves the interest of the two parties, for the company i) To increase its expansion in contract farming of groundnuts in Greater Kordofan and to improve the company Contract Farming Project. ii) Allows the company to carry out monitoring and evaluation activities to assess the impact of these activities on participating producers.

For the project the MoU serves one of its objectives of increasing income for the smallholder producers through improved market access, introduction and strengthening of village-based post-harvest crop storage, and introduction of value addition/market linkage activities to increase net returns from cash crops

2- **Duration:** The partnership will be in effect from January 2021 until 30 December 2021, subject to future renewal upon mutual agreement.

**3- Partners**

**The Company:** Africorp International CO.LTD is a Sudan-based private company dealing in marketing, processing and export of high quality products satisfying international market standards.

**The Project:** Integrated Agricultural and Marketing Development Project (IAMDP) is a rural development project co-financed by the International Fund for Agricultural Development (IFAD) and the Government of Sudan with the objective of increasing the use of innovations and technologies by small-scale farmers on rain-fed land on a sustainable, commercial basis. The goal is to help these target farmers move from a subsistence to a commercial approach of farming, and thereby increase household incomes and food security. The project operates in 4 States, 13 localities: i) North Kordofan: (3 localities) Rahad, Sheikan and Um Rawaba; ii) South Kordofan: (4 localities) Abbassiya, El Rashad, EL Tadamon and El Goz; iii) West Kordofan: (3 localities) El Sunut, Abu Zabad and El Khowai and iv) Sinnar: (3 localities) EL Dali& El mazmoum, El Dindir and Abuhugar

The project i) Works through IFAD gender mainstream policy to select contact farmers from the target communities in the project localities. ii) Provides agronomic, organizational, and business training to the contact farmers; iii) Manages and conducts necessary technical and business training to MSPs, SSPs and agro-dealers who provide and avail services to farmers; iv) Facilitates access to finance for service providers through Microfinance Institutions (MFIs). v) Will also work to develop the value chain of the cash crops and better market access for community organizations in the project area.

**4- Roles and responsibilities of Partners: in this MoU:**

**The project will:**

- 1) Organize Groundnut producers in target village into village-based associations and registered them in any legal form of its choice.
- 2) Train village-based farmers' associations on management, business, negotiation and any other training deemed necessary.
- 3) Train farmers on application of the recommended technical package and farming as business concept.
- 4) Provide technical support and guidance through extension teams at locality levels.

**The company will:**

- 1) Train locality extension teams on Groundnut best production and harvest practice.
- 2) To provide technical backstopping to locality extension teams in training and inspecting farmers' fields and final produce.
- 3) To train locality extension teams on quality control using state of the art techniques.
- 4) To sign unambiguous contract with farmers showing the following:
  - a. Input and services the company will provide.
  - b. Purchase price and quality of produce accepted.
  - c. Produce delivery date and place.
  - d. Social responsibility and fair trade policies the company applies.
- 5) For exchange of information and experience to coordinate exposure and exchange visits to similar activities in the country and abroad.

**5- Subsidiary:**

The attached contract between the company and farmers or farmers' associations shall constitute an integral part of this MoU.

**6- General Terms of MOU**

**Coordination:** In order to carry out and fulfill the aims of this agreement, each party will appoint an appropriate representative (person) to represent its organization and/ or institution and to coordinate the implementation of activities. The company and the project staff will meet regularly (preferably with three days noticed) to discuss progress and plan activities.

**Confidentiality of MoU:** each party agrees that it shall not, at any time, after executing the activities of this MOU, disclose any information in relation to these activities or the affairs of business or methods of carrying on the business of the other without consent of both parties.

**Termination of MoU:** The partnership covered by this MoU shall terminate upon completion of the agreed upon period. The agreement may also be terminated in writing after one-month notice from any side. In the event of non- compliance or breach by one of the parties of the obligations binding upon it, the other party may terminate the agreement with immediate effect.

**Communications:** All notice demands and other communications under this agreement in connection herewith shall be written in English language and shall be sent to the company last known Address, email, or fax or hardcopy stamped letter. Any letter shall be effective from the date on which it reaches the other party.

**Information sharing:** The two parties has the right to document the partnership and produce it in any form showing success in partnership, farmers' success stories provided that the information shared do not contradict with the terms of this MoU.

**Monitoring and evaluation:** Any party has the right to carry out monitoring and evaluation activities to assess the impact of these activities on participating producers.

In WITNESS WHEREOF, the parties hereto have executed this MoU on the .....

**Name**

**Name**

**Africorp International CO.LTD  
Development Project**

**Integrated Agricultural and Marketing**

**Signature:** .....

**Signature:** .....



**MoU Attachment**

**Contract for Groundnut grain production**

Contract between Africorp and Farmer name ..... village: ..... locality  
..... state: .....

This contract is for production of high quality Groundnut grain.

**Farmer's role:**

- 1) To clean the land he avails for contractual production.
- 2) To take full responsibility in carry out all cultural practices, to the best of his knowledge, experience and effort.
- 3) Not to use any inputs ( Seed , herbicide) other than that supplied by the company without the company consent.
- 4) To comply with any directions, to be given by extension team and company representative.
- 5) To take responsibility in guarding his field and final produce before delivery to the company.

**Company's role:**

- 1) Supply seed of high germination percentage to ensure establishment of good crop stand.
- 2) Interest-free loan to be provided by the company:

- Land preparation: (yes,no)
- Planting: (yes,no)
- Weeding: (yes,no)
- Harvesting: (yes,no)
- Sacks: (yes,no)
- 

- 3) Produce delivery time: .....
- 4) Quality of produce accepted: .....
- 5) Purchase price: ..... ( not less than Alobaid auction price on paying date)
- 6) Measures to address crop failure due to uncontrolled factors:

- Insurance: (yes,no)
- Company dive up interest-free loan. (yes,no)
- Company dive up interest-free loan and compensate farmers. (yes,no)
- No measures.

- 7) After marketing incentives:

Farmers, who have produced exceptionally very low aflatoxin level, lower than ..... ppm will receive:

- Cash incentive. (yes,no)
- certificate. (yes,no)
- Any prize of value to farmer,

WITNESS

**Name:** .....

**Name:** .....

**Date:** .....

**Date:** .....

**Africorp International CO.LTD**

**Farmer or farmers' association**

**Signature:** .....

**Signature:** .....

**Date:** .....

**Date:** .....

#### **4. Organization of a national workshop to address access of small household farmers to mechanization services**

**Venue:** Khartoum

**Duration:** 2 days

**Proposed dates:** preferable before 31/12/2020 or 31/1/2021 at the latest.

**Auspice:** Prime Minister / Minister of Agriculture and Forestry.

**Main sponsor:** IAMDP

**Other potential sponsors:** CTC, DAL engineering, Lamda engineering, NGOs.

**Hosting location:** Have adequate open space to be utilized, as a fair, for displaying products of participating machinery companies.

**Workshop facilitators:**

1. Prof. Ibrahim Daw Albait.
2. Prof. Harbi
3. Agricultural engineer Ali Omer.
4. Agricultural engineer Yasir Shaikheldin – CTC

**Workshop recommendation committee:**

1. PCU Private sector specialist.
2. PCU mechanization consultant.
3. Two representatives from Agricultural mechanization Directorate.

**Higher committee composition:**

1. Undersecretary of Ministry of Agriculture.
2. IAMDP coordinator.
3. Director General of Agricultural Mechanization Directorate.
4. CCU.
5. IFAD Office- Sudan.

**Tasks:**

1. To provide guidance to preparation committee.
2. To inform people selected by preparation committee to share their experience.
3. To send invitation to participants.
4. To approve workshop program and invitees.
5. To distribute workshop recommendations to concern parties.

**Preparation and coordinating committee composition:**

1. PCU private sector coordinator. Chairman
2. PCU mechanization consultant.
3. Director of department of new machinery testing of Agricultural Mechanization Directorate.
4. Yasir Shaikheldin – CTC
5. Ibrahim Abdeljabir- Dal engineer
6. Ali Omer- reputable mechanization specialist.
7. Others to be nominated by DG of mechanization directorate

**Tasks:**

1. To identify companies that import or manufacture machines and equipment suitable for small household farmer and to nominate who may share his experience.
2. To name who will present issues associated with import or manufacturing of machinery.
3. To select the venue suitable to accommodate the expected number of participants and with outdoor space wide enough for machinery fair.
4. To identify NGOs those have experience in supplying farm machinery and equipments to small farmers and to nominate who may share his experience.
5. To propose workshop program and participants.

**Logistic committee:**

1. PCU procurement officer. Chairman.
2. CCU.
3. Ministry of Agriculture and Forestry Public Relations Director.

**Experiences to be shared:**

1. Selected companies which import or manufacture machines and equipment suitable for small household farmers.( 3 companies maximum)
2. Issues associated with import or manufacturing of machinery.( one experience).
3. NGOs experience in supplying farm machinery and equipments to small household farmers.(2 experiences)
4. States Ministries of Agriculture experience in providing mechanized services to small household farmers.( the 4 project states).
5. MSPs experience in serving small household farmers. ( one experience)
6. Small farmers experience.( one experience)

**Policy:**

1. Agricultural Bank of Sudan policy in providing capital finance for machinery.
2. Ministry of Agriculture policy in supplying farm machinery to states.
3. Microfinance policy in addressing farmers needs.

**Machinery fair:**

Any interested machinery company or inventor can display its products.

**Participants:**

1. Ministry of Agriculture and Forestry.
2. Ministry of Finance and National Economy.
3. NK, SK, WK and Sinnar Ministers of Agriculture.
4. Ministry of Social Affairs.
5. Prime Minister consultants.
6. Custom Authorities.
7. Central Bank of Sudan. Microfinance
8. Agricultural Bank of Sudan.
9. Absume coordinator.
10. Alibda Microfinance Bank
11. Important import and manufacturing companies.
12. NGOs have experience in supplying farm machinery and equipments.
13. Project MSPs representatives.
14. Farmers' representatives.
15. Mechanization experts.

### **III. Technical Note on Cluster Development and Increasing MSP Business Potential**

#### **a) Cluster Approach**

1. *Cluster Composition* – IAMDP will adopt a cluster approach to create pockets of high demand for improved agricultural practices that can easily attract inputs and service providers. Each cluster will comprise around 10 neighbouring villages including old SDP villages, IAMDP supported villages and non-IFAD projects villages. Each cluster will have at least one IAMDP demonstration village serving as the cluster nucleus. The project should also identify a focal agro dealer and a focal MSP in each cluster at the time of defining the cluster.

2. IAMDP will intensify the awareness of the project supported demonstrations in all the cluster villages. The project will make use of a range of information dissemination tools such as mass media, messaging services, village influencers (village chief/elders/teachers), village/cluster market stalls and local contacts/agents of agro-dealers and MSPs, to increase awareness of the project supported demonstrations in the clusters.

3. *Quality assessment of the demonstrations*: Before launching the awareness drive in any cluster IAMDP will carry out a quality assessment of the demonstrations to ensure the following:

- The demonstrations are successful and clearly showcase improved results compared to traditional practices
- The demonstration sites are equipped with promotional materials answering common questions and providing the contacts of agro-dealers, MSPs and financial institutions who can support new farmers to adopt the improved technologies.
- The demonstration sites have the provision for recording the contact details of farmers who are interested in adopting the technologies. The contact information of interested farmers should be passed to inputs, services and financial suppliers who should directly follow up with these potential clients.

4. *One Cluster One Service Provider* – The project should adopt a one cluster-one service provider approach as the starting point for organising the supply of inputs and services in a cluster. In this approach, the project will first identify a focal agro dealer and a focal MSP partner for each cluster and will identify the villages in a cluster in consultation with these partners. The focal input supply and MSP partner will have an active role in creating awareness about the demonstrations in the cluster. They will also follow up with farmers who are interested in adopting the technologies, understand their requirements and plan the supply of inputs and machinery services accordingly. Additionally, they can partner with village-level local agents to facilitate demand mobilisation by registering the names of the farmers who are interested in particular inputs and services. The local agents will also have an active role in organising the efficient supply of the inputs and services to the interested farmers. Other suppliers can compete with the focal input supplier and the focal MSP partner as the demand for the project promoted inputs and services increase within the cluster.

5. *Rural Finance* – At present, the IAMDP's partnering financial institutions (PFIs) are expected to provide their services only in the IAMDP villages in the clusters. In future, IAMDP should collaborate with financial institutions in a manner that allows all the villages in the cluster to access financial services to adopt the project promoted inputs and services. To achieve this objective IAMDP should encourage the formal PFIs to expand their outreach to all villages in a cluster. Additionally, IAMDP should collaborate with other financial institutions which are active in the State and encourage them to provide financial services in the cluster villages. IAMDP has to facilitate the linkage between the focal Agro dealers, focal MSP and the financial institutions to enable coordinated adoption of the improved inputs and machinery services by interested farmers in a cluster. The focal agro dealers, the focal MSP and their local agents at the village level who compile the interested farmers' list, can submit the list to the active financial institutions in the cluster and facilitate the credit linkages with the interested farmers.

#### **b) Equipment and Machinery Transfer**

6. IAMDP has purchased a set of machinery and equipment which is rented to MSPs to carry out the land preparation activities mainly in the demonstration plots. Since this is not a sustainable practice, the mission has recommended that the PIU should explore transferring these machineries

and equipment to agricultural service centres. Some of the options the PIU should evaluate for transferring these machineries and equipment are presented below:

- *Transfer to the government:* This will involve transferring the machinery to the agricultural service centre operated by the government through the extension department. Although this is a relatively simple option, it may not be very effective due to the capacity constraints in the extension department. This option should be adopted only in the absence of any other alternative;
- *Transfer to an FPA:* IAMDP is about to start its activities related to Farmers Producers Associations' (FPA) identification and strengthening. The project can identify one or two strong business-oriented FPAs as MSPs in each State, assist them in developing business plans and facilitate commercial financing for capital investments (in machinery and equipment) and working capital assistance. The project can decide to transfer its equipment and machinery such FPA's as start-up support. These FPAs can leverage the project supported machinery and equipment to access additional credit support from financial institutions both for building assets and operations costs support; *and*
- *Transfer to FPA's partnering with private sector:* The FPAs selected as potential MSPs may not have much previous experience which can make them risky business entities. To overcome this challenge IAMDP can promote the linkage between private-sector machinery suppliers and the FPA MSPs. The private sector partners can make use of IAMDP's challenge grant to partnership with the relevant FPAs and increase the availability of improved machinery services in the project area. The private sector partner can serve both as a joint investor and an operations partner, allowing the FPA to mobilise financial/physical resources as well as professional expertise to manage its operations. The project can catalyse such partnerships between private-sector partners and FPAs by transferring its machinery and equipment as partnership start-up support to selected FPAs.

## IV. Procurement

### 1. Introduction

1) A **review** was done to the Procurement Management Procedures and Procurement Progress under IAMDP. The review covered the **(i)** Procurement Planning Process; **(ii)** Processes and Procedures from Prequalification to Bidding; **(iii)** Process and Procedures for Evaluation and Contract Award; **(iv)** Contract Management and Administration; and **(v)** Record Retention.

2) **Procurement Rating.** IAMDP Procurement is rated as **3 Moderately Unsatisfactory**, this mainly due to: a) the delay in initiating the procurement processes for most of the anticipated activities; b) the need to ensure that Procurement processes are in compliance with IFAD prior review requirements; c) for the procurement of agricultural inputs, technical specifications were missing and particular brands were specified; d) incomplete request for quotations documents were issued to the bidders; e) in several cases, the evaluation process was not conducted appropriately; f) unrealistic implementation period for some transactions; and g) weak contract management and administration. Moreover, it was noticed that the project has not utilized IFAD No Objection Tracking system (NOTUS) for the submission of requests for No Objection.

3) **Structure of the Procurement Unit.** The PCU Procurement Unit is located in El Obeid, consisting of one Procurement Officer, who joined the PCU on February, 2020. The Procurement Officer has got extensive experience in public procurement activities; however, his CV does not present any specific experience with donors funded projects. Additionally, the project was supported by a National Consultant recruited in April, 2020.

4) **Procurement processes** continues to follow the same approach, envisioned at Project design where the CCU carries out all large procurement transactions that use ICB, and NCB methods. Other procurement methods are managed at the PCU and SPIUs. The Project is also responsible for preparing, monitoring, and updating procurement plan (PP). During FY 2020, all procurement transactions were completed at the Project level applying shopping method for Goods procurement and selection of individual consultant, two transactions for Goods and Works using NCB method were initiated by the CCU but not completed yet.

### 2. Procurement Planning Process

5) The format of 2020 procurement plan was found inconsistent with IFAD new template, the Mission noted the following areas for improvement:

- a) Several low-value procurement activities can be grouped together under one tender for purposes of economies of scale. The Project has split the several transactions for procurement of agricultural equipment into smaller shopping transactions. Moreover, several works transactions can be grouped together such as Wadi Crossings.
- b) The recruitment of Individual Consultants is over used while no selection of firms is envisaged in the Procurement Plan (except one case for conducting the project baseline survey).
- c) Activities related to supervision of construction works were mistakenly enrolled in works sheet with incorrect selection method;
- d) In some cases, implementation schedule was unrealistic (i.e the PCU assumed that the bidding documents for works transactions would be ready before or after very short period of signing the contract with the consultants responsible for the design);
- e) The Plan is not being fully respected in terms of packaging. In some cases, the enrolled transaction was split into several activities without proper justification’;

- f) In several cases, large discrepancies between the cost estimate and actual contract value were noticed;
- g) For NCB and ICB methods, short period was offered to the bidders to submit their bids (15 days for NCB and 30 days for ICB). For NCB method, short period can be accepted on exceptional basis under IFAD Guidance on Fast-Track Project Procurement for COVID-19. However, as provided by the Guidance these measures will cease to apply once the security situation allows for normal operations to resume.
- h) The plan is currently not used as a monitoring and tracking tool as it is not periodically updated; and
- i) The plan should include a summary page with an AWPB reference column.

6) Prior to the mission, the project prepared a draft procurement plan using IFAD new template but it has not been submitted for IFAD No Objection. However, most of the above-mentioned comments are still valid, so the project is advised to revise the plan to address the mission comments and submit it for IFAD No Objection. The biggest issue, however, is that majority of the items in the PP have not been procured at the time of the mission, out of 62 planned packages estimated at a total value of Eur 2,126,222, only 18 packages were signed for a total value of Eur 265,651.64 constituting around 12.5% of the originally planned amount. As a result, project implementation is negatively impacted and delayed.

### **3. Processes and Procedures from Prequalification to Bidding.**

7) The Mission observed with great concerns that the Project have not made significant progress on enhancing the procurement procedures since the last supervision mission. Despite the recruitment of full-time procurement officer and hiring a national consultant to provide Procurement Technical Assistance to the PCU, the procurement procedures under IAMDP still suffer from several gaps as follows:

8) **Use of Prequalification.** The Project has not initiated a specific prequalification process for any type of procurement (Goods and Works). For the shopping method, the bidding documents were issued for some bidders randomly usually 3 without any justification for the selection of those bidders which shows less transparent process.

9) **Bidding Documents.** During the period of review, the Project completed the procurement process for 18 transactions using shopping method and selection of individual consultants. The Project has developed the Template for RFQs which was found satisfactory. The Project has adopted the National Standard Bidding Documents (SBDs) for the procurement of goods and works (2 transactions have been initiated but not completed), the National SBDs were found satisfactory and meet the minimum requirements. The mission noted the following gaps in the preparation of the bidding documents:

- a) In several cases, incomplete bidding documents were issued to the bidders (only invitation letter was sent to the bidders). Moreover, the invitation letter did not include the deadline to submit the quotations;
- b) For agricultural inputs procurements, technical specifications were missing and particular brands or commercial names were requested;
- c) In one case (procurement of rain gauges), transaction was initiated and completed using Direct Contracting method without obtaining IFAD No Objection;
- d) The selection method for the recruitment of individual consultant was inconsistent with IFAD Procurement Handbook as the selection was made based on CVs comparison only without requesting a simplified technical and financial proposals. Moreover, the shortlist was developed without advertisement and it included consultants with inadequate competences. Additionally, the TORs did not include

- clear outputs and the project mixed the specific tasks with the deliverables;
- e) RFQs template lacks information on when the bidders can seek clarifications and the deadline for providing these responses; and
- f) There are no standard IFAD fraud and anti-corruption provisions in the instructions to bidders and the general conditions of contract.

10) **Advertisement.** In the two transactions using NCB method the Project through the CCU managed to comply with advertisement requirements. However, as mentioned above, the project has never advertised for the selection of individual consultants.

11) **Bid Submission.** The Mission observed that the bid submission procedure needs further improvement to make its procedures more transparent. The Mission has therefore, provided the Project additional information needed to improve the procedure as follows:

- a) The invitation letter should clearly specify the deadline for bid submission;
- b) The project should maintain a register for bid submission and bids received from vendors who do not comply with deadline should be registered as late bids; and
- c) The Project should maintain a securely tender box.

#### 4. **Process and Procedures for Evaluation and Contract Award.**

12) **Evaluation Process.** There are evaluation reports for all procurements carried out. Notwithstanding the above, the following irregularities are noted:

- a) Preliminary examination and technical evaluation were not conducted properly as all bidders failed to provide the mandatory documents and technical specifications for the offered commodities but they were qualified for financial evaluation. As presented in the evaluation reports, the project used the price as the only criteria for awarding;
- b) Evaluation reports for consultants' CVs included only score sheets without any narrative part to give more details about the consultants' qualifications and to present the weakness and strength of each candidate;
- c) In one case, the evaluation committee recommended awarding the contract to the second evaluated bidder without proper justification. Such improper practice may lead to declare the transaction as mis procurement and all payments made will consider ineligible expenditures;
- d) The contracts for individual consultants did not include clear Key Performance Indicators;
- e) In some cases, Informal establishment of the evaluation committee; and
- f) In one case (selection of Farming as a Business "FAAB" National Consultant) the shortlist included three candidates, two of them from University of Kordofan; while the evaluation panel included two members from the same university which may be considered a potential for conflict of interest.

13) **Contract Award.** AS presented above, the contracts were awarded to the lowest offer regardless the compliance with technical requirements or mandatory documents.

#### 5. **Contract Management and Administration**

14) in the procurement cycle the PCU main area that needs further improvement would lie in the contract management function. the following gaps are noted:

- a) In all Goods procurements, acceptance and inspection procedures were not handled properly, only receiving notice was found without specifying any details



- about the quality and specifications of the received commodities;
- b) In some cases, payments were made before receiving vendors invoices. Moreover, in two cases 100% of the PO value was disbursed in advance;
- c) For all consultants' contracts, payments were made without assessment for the deliverables submitted by the consultants;
- d) The contract documents do not include provisions for IFAD to Audit the contract;
- e) Delivery period was not monitored by the project; and
- f) Extension for consultants' contracts with period double the original contract was made without obtaining IFAD No Objection.

15)The Mission reviewed the Register of Contracts, on a sample basis which was found to be up to date in terms of contracts awarded in the current year and in conformity with IFAD requirements. However, some important data in the Register were missing such as reference to approved AWPB and PP, financing category in accordance with schedule II of the financing agreement. Moreover, in few cases some data was not accurate such as contract value and contract start date. Contract Monitoring Forms (CMFs) were developed for consultants' contracts only and it was mainly used to record the actual payment rather than monitoring the implementation of the contract as the milestones and the expected payments were not enrolled.

## 6. Review of issues identified in the previous review and aide-mémoire.

Agreed action	Resp.	Deadline	Action
1. Provide Procurement Technical Assistance to the PCU for at least 60 days	PCU Coordinator	09/2019	Done with delay. A National Consultant was recruited after the recruitment of the project procurement officer in April 2020.
2. Complete the recruitment process for a Procurement Officer for the PCU.	CCU Senior Coordinator	10/2019	Done with delay. The procurement officer at the PCU has been recruited and in place since 15 Feb 2020.
3. Ensure compliance with requirements of the shopping method of procurement and where conditions dictate otherwise, seek guidance and/or approval from IFAD before proceeding with the process.	PCU Coordinator		No progress

## 7. Record Retention

16)Based on the self-assessment checklist on procurement filing prepared by the project and the orderliness of the received documents, the procurement filing system includes all related documents and records for all transactions except some documents related to contract management such as deliverables submitted by the consults and payment documents

17)**The Borrower/Recipient's Procurement Regulatory Framework, System and Practices.** No changes have been done to the National Procurement Regulations since the last mission and all assumptions made during the design still valid.

18)**Assessment of Further Procurement Staff Training Needs.** While the IFAD efforts to provided extensive capacity building programmes for the projects staff are acknowledged, capacity deficiencies within PCU and SPIUs still exist. The Procurement Officer has a long experience in handling procurement activities but limited to National practices only. Based on assessment for the performance during the last period since the

recruitment of the procurement officer and review for his CV it is obvious that lack of capacity and lack of understanding of key procurement principles as great barriers to conducting sound procurement are the most important issues. The Mission noted that although some key players in the procurement process were generally aware of the existence of IFAD's Procurement Guidelines, none of them appeared to be conversant with the actual contents and specific procedures of the IFAD procurement Guidelines. The result is that most procurements are not carried out in accordance with the IFAD Procurement Handbook which included all procurement steps and actions from the preparation of bidding documents to contract management function.

19)Based on the above, the mission recommends organizing a tailor-made Procurement Training for the Project Procurement staff at the level of the PCU and the SPIUs as well as other technical persons involved in the procurement process covering the areas of compliance with IFAD Procurement Guidelines, preparation of the bidding documents, evaluation process and contract management.

## **8. Key Findings and Conclusions from the PRM Assessment Update**

20)As part of the procurement supervision process, a Project's PRM was developed for the first time. The assessment indicated the following risks:

- a) capacity constraints leading to – failure to comply with National Procurement Regulations and IFAD Procurement Guidelines; delays in initiating the procurement process, inadequate Technical Specifications or specifying particular brands; improper evaluation procedure; and weakness in ensuring contract management (supervision)/administration (monitoring) during contract implementation to completion;
- b) Weak bidding documents
- c) award of contracts to firms with no capacity;
- d) lack of use of Procurement plans as a planning and management tool, and
- e) perception of lack of competition – weak private sector with limited competition.

21)**Key mitigation measures to address procurement capacity gaps are the following:**

- a) The **Project Implementation Manual (PIM)** should be revised to include detailed sections on procurement procedures that will cover: (i) use of IFAD guidelines; (ii) procurement tasks and responsibilities; (iii) Procurement Planning process; (iv) the correct thresholds for procurement methods and IFAD prior review; (v) detailed description for the Standard Procedures for the application of each procurement method (from preparation of bidding documents to awarding the contract); (vi) contract management and administration; (vii) Anti- corruption measures; and (viii) documentation and filing system. The PIM is considered a live document, expected to be updated from time to time as agreed, to reflect agreed refinements to Project procedures;
- b) Revise the current Letter to Recipient to modify the thresholds for procurement methods for all categories in accordance with the results of the PRM.
- c) Organize a tailor-made Procurement Training for the Project Procurement staff at the level of the PCU and the SPIUs as well as other technical persons involved in the procurement process covering the areas of compliance with IFAD Procurement Guidelines, preparation of bidding documents, the evaluation process and contract management;
- d) The Recruited National Consultant should play an instrumental role in the project procurement function, his scope of work should be extended to include oversight duties over all IAMDP procurement activities in addition to support the implementation of the planned transactions.
- e) Prepare Procurement Plan for the Project using IFAD new template with proper

packaging. Continuous updating of the Procurement Plan to reflect actual procurement activities. The Project Principal Coordinator has an essential role in monitoring the implementation of procurement plans on a monthly basis and closely monitor and exercise quality control on all aspects of the procurement process, including evaluation, selection, award, contract signing and implementation to completion.

- f) Close follow up from IFAD Country Office to ensure the following issue: (i) application of procurement best practices; (ii) revision and application of the PIM; and (iii) the timely initiation for anticipated activities.; and
- g) Regular top management monitoring and follow-up of implementation.

22)The Project Institutional Risk after the implementation of the proposed mitigation measures will remain medium but with rating **2.22** instead of **1.75**.

### **9. Procurement Performance Indicator Rating and Justification**

No.	Performance Indicator	Rating	Justification for Rating
1	Procurement Planning Process	3	The procurement planning exhibits significant shortcomings such as: excessive use of less competitive methods, the format of the procurement plan was found inconsistent with IFAD new template, delay in initiating the procurement process for most of planned activities.
2	Processes and Procedures from Prequalification to Bidding	2	Processes and procedures applied exhibit significant shortcomings such as: selection of short lists of suppliers and consultants were made without justification, incomplete bidding documents were issued to the bidders, technical specifications were inadequate and, in some cases, particular brands were requested and improper selection method for individual consultants.
3	Process and Procedures for Evaluation and Contract Award	2	Processes and procedures applied exhibit serious shortcomings such as: preliminary examination and technical evaluation was not conducted correctly, documentation for bid evaluation needs significant improvements, in one case, the evaluation committee recommended awarding the contract to the second evaluated bidder without proper justification.
4	Contract Management and Administration	2	Processes, procedures and systems for administration, supervision and management of contract exhibit significant lapses and gaps in terms of performance standards, inconsistently applied controls, inefficiency, and transparency such as: in all Goods procurements, acceptance and inspection procedures were not handled properly, in some cases, payments were made before receiving vendors invoices. Moreover, in two cases 100% of the PO value was disbursed in advance, for all consultants' contracts, payments were made without assessment for the deliverables submitted by the consultants, and delivery period was not monitored by the project.
5	Record Retention	4	The project's record retention exhibits some weaknesses. Implementation support is required; however, prompt resolution of issues/constraints is like Documents related to contract management and administration aspects are not kept in the procurement files.

## 10. Key Recommendations on Procurement

Actions	Resp.	Deadline	Status
1. Adhere strictly to IFAD guidelines and Handbook with regard to No Objection requirements, preparation of bidding documents, evaluation procedures, selection of individual consultants and contract management aspects.	PCU		
2. All requests for No Objection should be submitted through NOTUS.	PCU	October 2020	
3. Revise the current Letter to Recipient to modify the thresholds for procurement methods for all categories in accordance with the results of the PRM.	IFAD	November 2020	
4. Expedite the implementation of planned activities.	PCU	Immediate	
5. Upgrade the 2020 procurement plan to reflect the above-mentioned comments and submit it for IFAD No Objection.	PCU	October 2020	
6. Update the register of contracts to address the above-mentioned comments.	PCU	October 2020	
7. Revise the procurement section in the PIM to incorporate more details about the different steps of the procurement process	PCU	December 2020	
8. Organize a tailor-made Procurement Training for the Project Procurement staff at the level of the PCU and the SPIUs as well as other technical persons involved in the procurement process covering the areas of compliance with IFAD Procurement Guidelines, preparation of the bidding documents, evaluation process and contract management.	PCU	December 2020	
9. The Recruited National Consultant should play an instrumental role in the project procurement function, his scope of work should be extended to include oversight duties over all IAMDP procurement activities in addition to support the implementation of the planned transactions.	PCU/National Consultant	Immediate	
10. For the application of shopping method, the project should carry out a simple market research to ensure that the that the suppliers invited to quote are reputable, well established, and are suppliers of the goods or non-consulting services being purchased as part of their normal business.	Procurement Specialist/ Procurement consultant	December 2020	

## 11. Annex 1: Procurement Post review

23) As part of the supervision mission to IAMDP, the Procurement Consultant conducted a Post review to a sample of contracts signed under the Project. Out of the 18 POs/contracts under the Project signed during the review period, 10 POs/contracts were reviewed. Summary of the findings as follows:

- a) The shopping method of procurement needs further improvement to make its procedures more transparent;
- b) Technical specifications were inadequate or particular brands were requested;
- c) Incomplete RFQs were issued to the bidders;
- d) Improper evaluation process;
- e) In all cases, no acceptance and inspection reports were found;
- f) Ineffective contract management and administration;
- g) The Procurement files are not complete, as it misses some documents related to contract management such as acceptance reports, consultants' deliverables and payment documents;

**24) Contract serial No. 1 Ref. NC/01/20, for the "Farming as a Business (FAAB) National Consultant"** signed with Dr Gaafar Basheir Suliman on 1<sup>st</sup> January, 2020 for a total value of SDG 990,000.00:

- a) The selection method for the transaction was enrolled in the procurement plan as selection of individual consultant. However, the new contract was an extension for existing contract with 180 additional working days against 120 days in the original contract;
- b) IFAD No Objection was not requested for the extension of the consultant contract;
- c) For the original contract, the selection method for the recruitment of the consultant was inconsistent with IFAD Procurement Handbook as the selection was made based on CVs comparison only without requesting a simplified technical and financial proposals.
- d) The shortlist was developed without advertisement and it included consultants with inadequate competences. Additionally, the TORs did not include clear outputs and the project mixed the specific tasks with the deliverables;
- e) The selected candidate submitted his CV one week after the deadline indicated in the invitation email and was accepted for evaluation;
- f) The shortlist included three candidates, two of them from University of Kordofan; while the evaluation panel included two members from the same university which may be considered a potential for conflict of interest;
- g) Evaluation report for consultants' CVs included only score sheets without any narrative part to give more details about the consultants' qualifications and to present the weakness and strength of each candidate;
- h) While the selected consultant (as presented in his CV and confirmed by the project during the discussions) a full-time staff at University of Kordofan; the project did not request an evidence that the consultant has been released of his duties elsewhere to be able to take up the assignment with the project and to confirm that the days contracted where he is expected to render services do not overlap with any other assignments elsewhere;
- i) Original and extended contracts did not include clear Key Performance Indicators;
- j) Payments and extension of contract were made without assessment for the deliverables submitted by the consultants and his performance during the execution of the original contract.

**25) Contract serial No. 12 & 13 Ref. IAMDP/NS/PO/NO:04 and IAMDP/NS/PO/NO:05 for the "Supply Certified seeds for on-farm demos (Korodfan) and (Sinnar)"** signed with Arab Sudanese Seed CO.Ltd on 15<sup>th</sup> & 18<sup>th</sup> May, 2020 for a total value of SDG 5,824,600 and SDG 1,430,000:

- a) The transaction was enrolled in the procurement plan as one package, while the project tendered through two separate transactions. Moreover, the cost estimate is less 50% of the actual cost;
- b) The Request for Quotations (National Shopping) method was used with the application of the template that was developed by the project was found sufficient in terms of the ITBs, however, this RFQ was not issued to bidders;
- c) Incomplete bidding documents were issued to the bidders (only invitation letter).
- d) Three bidders were addressed and applied for each transaction
- e) The bidders submitted their quotations on the same day of issuing the invitation letter for the first transaction and after one month for the second transaction; while the invitation letters did not include a deadline for submission;
- f) As a result of the incomplete RFQs, the bidders submitted Performa Invoices only instead of the complete quotations which did not include any documents to establish their eligibility or specifications of the offered commodities;
- g) For the second transaction, the evaluation committee recommended awarding the contract to the second evaluated bidder without proper justification;

- h) No provisions regarding the prohibited practises and IFAD's right to audit;
- i) For the second transaction, 100% of the contract value was disbursed one month before receiving the seeds;
- j) Inspection and acceptance report was missing, only receiving notice was found.

26) **Contract serial No. 8 Ref. IAMDP/NS/PO/03/2020 for the "Supply of GPS devices"** signed with Agab Brothers Engineering Company (ABC) on 25<sup>th</sup> March 2020 for a total value of SDG 1,392,300:

- a) The transaction was part of the procurement plan. However, the cost estimate was about 25% of the contract value;
- b) The Request for Quotations (National Shopping) method was used with the application of the template that was developed by the project was found sufficient in terms of the ITBs;
- c) Three bidders were invited and applied but without justification for the selection of those bidders as the Project did not perform prequalification process to establish roaster of suppliers;
- d) Preliminary examination and technical evaluation were carried out incorrectly. The PCU accepted all offers regardless the fact that all bidders did not adhere to the ITBs and submit the bid form and mandatory documents. Moreover, the recommended bidder for awarding submitted a quotation with validity period less than requirement;
- e) No provisions regarding the prohibited practises and IFAD's right to audit;
- f) 100% of the contract value was disbursed one month before receiving the devices;
- g) The vendor did not adhere to the delivery period specified in the POs and delivery was made one and half month after the deadline;
- h) Inspection and acceptance report was missing, only receiving notice was found.

27) **Contract serial No. 3 Ref. IAMDP/IC/01/2020, for the "Business Development International Consultant"** signed with Mr. Donald E. Greenberg on 10<sup>th</sup> January, 2020 for a total value of USD 19,375:

- a) The transaction was part of the approved procurement plan as SSS for individual consultant but with less cost estimate. However, the project obtained IFAD No Objection to the revised cost and the application of SSS method;
- b) While the transaction is subject to IFAD prior review, the project did not request IFAD No Objection to the draft contract as one of the actions that should be reviewed by IFAD;
- c) Payment was processed without assessment for the deliverables submitted by the consultants;
- d) Severe delay in processing the processing the payment for more than 6 months and until now there is no evidence that the money is transferred to the consultant bank account.

28) **Contract serial No. 9 Ref. IAMDP/NS/PO/NO/02/2020, for the "Supply of Rain Gauges"** signed with Sudan Meteorological Authority on 25<sup>th</sup> March, 2020 for a total value of SDG 19,375:

- a) The transaction was enrolled in the approved procurement plan as shopping transaction while the project applied it using direct contracting method without requesting IFAD No Objection;
- b) Technical specifications were not attached to the invitation letter;
- c) The vendor did not adhere to the delivery period specified in the POs and delivery was made one month after the deadline;
- d) Inspection and acceptance report was missing, only receiving notice was found.

29) **Contract serial No. 2 Ref. NC/02/20, for the "KM National Consultant"** signed with Mr Tarig Amin Abu Elbashar on 1<sup>st</sup> January, 2020 for a total value of SDG 990,000.00:

- a) The selection method for the transaction was enrolled in the procurement plan as

selection of individual consultant. However, the new contract was an extension for existing contract with 180 additional working days against 120 days in the original contract;

- b) IFAD No Objection was not requested for the extension of the consultant contract;
- c) For the original contract, the selection method for the recruitment of the consultant was inconsistent with IFAD Procurement Handbook as the selection was made based on CVs comparison only without requesting a simplified technical and financial proposals.
- d) The shortlist was developed without advertisement and it included consultants with inadequate competences. Additionally, the TORs did not include clear outputs and the project mixed the specific tasks with the deliverables;
- e) Evaluation report for consultants' CVs included only score sheets without any narrative part to give more details about the consultants' qualifications and to present the weakness and strength of each candidate;
- f) Original and extended contracts did not include clear Key Performance Indicators;
- g) Payments and extension of contract were made without assessment for the deliverables submitted by the consultants and his performance during the execution of the original contract.

**30) Contract serial No. 12 & 13 Ref. IAMDP/NS/PO/NO:04 and IAMDP/NS/PO/NO:05 for the "Supply of Agro-chemicals for On-farm Demos (South Korodfan) and (Sinnar)"** signed with Alestegama for Fert-and Agricultural Services on 21<sup>st</sup> July & 15<sup>th</sup> June, 2020 for a total value of SDG 540,000 and SDG 1,711,060:

- a) The transaction was enrolled in the procurement plan as one package, while the project split it into four separate transactions during the implementation. Moreover, the cost estimate is less 50% of the actual cost;
- b) The Request for Quotations (National Shopping) method was used with the application of the template that was developed by the project was found sufficient in terms of the ITBs. However the ITB was not issued to the bidders;
- c) Incomplete bidding documents were issued to the bidders (only invitation letter).
- d) Three bidders were addressed and applied for each transaction.
- e) Two bidders out did not quote for all items;
- f) The invitation letter included particular brands (commercial name) for the Agro-chemicals instead of specifying generic names or technical specifications;
- g) As a result of the incomplete RFQs, the bidders submitted Performa Invoices only instead of the complete quotations which did not include any documents to establish their eligibility or specifications of the offered commodities;
- h) The implementation schedule for the first transaction was unrealistic, the time elapsed between requisition approval and receiving the commodities was one day;
- i) The project failed to achieve Best Value for Money, similar item were procured in the two transactions with huge cost variance (the cost of NPK Fertilizer and herbicide increased with 50% and 30% respectively);
- j) For the second transaction, the payment was processed before receiving the vendor invoice;
- k) For the first transaction, requested quantity and receiving notice of NPK Fertilizer was 80 Packs each of them **250 Kg**, while the vendor delivery notice included 80 Packs each of them **25 Kg** only,
- l) The vendor delivery notice was received prior signing the PO;
- m) No provisions regarding the prohibited practises and IFAD's right to audit;
- n) Inspection and acceptance report was missing, only receiving notice was found.

**31) Contract serial No. 17 Ref. IAMDP/NS/PO/NO:09 for the "Animal-drawn Implements"** signed with Alom Almithalia for Agric.Implements on 23<sup>rd</sup> June 2020 for a total value of SDG 805,000:

- a) The transaction was part of the procurement plan;

- b) The Request for Quotations (National Shopping) method was used with the application of the template that was developed by the project was found sufficient in terms of the ITBs;
- c) Four bidders were invited and applied but without justification for the selection of those bidders as the Project did not perform market research process to establish of the qualified suppliers;
- d) Preliminary examination and technical evaluation were carried out incorrectly. The PCU accepted all offers regardless the fact that all bidders did not adhere to the ITBs and submit the bid form and mandatory documents. Moreover, two bidders did not quote for all items;
- e) No provisions regarding the prohibited practises and IFAD's right to audit;
- f) The vendor did not adhere to the delivery period specified in the POs and delivery was made 20 days after the deadline;
- g) Inspection and acceptance report was missing, only receiving notice was found.

**32)The Post Review Checklist: Procurement Planning & Contract Registers.**

#	Description	Check	Remarks
<b>A</b>	<b>Procurement Planning (for entire PP)</b>		
1	Is the Plan template consistent with IFAD's?	N	The current plan was developed with template different than IFAD New Template
2	Did IFAD provide its No Objection on the current version of the Plan?	Y	
3	Are there planned dates for all procurements?	Y	However, some of the planned dates are unrealistic
4	Are the planned dates consistent with the procurement process and methods?	N	In two cases, bidding period were shorter than the standard procedures (less than 30 days for NCB and 45 days for ICB)
5	Are the procurement methods consistent with the estimated budget for each procurement?	Y	
6	Is the reviewed Procurement Plan an updated one?	N	
7	How many <b>updates</b> of the current Procurement Plan were submitted for the year?	None	
8	How many <b>upgrades</b> of the current Procurement Plan were submitted for the year?	None	However, the project prepared a draft upgraded plan but it has not been submitted for IFAD No Objection
<b>B</b>	<b>Contract Register (for entire Project)</b>		
1	Is there a contract register?	Y	
2	Is the register updated?	Y	



**The IAMDP Procurement Risk Matrix for 2020 is attached as a separate file.**

## V. Financial Management Assessment Questionnaire at Supervision

<b>Country:</b> Sudan	<b>Performed by:</b> Sondes Tlili	
<b>Project Name:</b> IAMDP	<b>Mission Ref.:</b> Remote Supervision Miss. 2	<b>Date of review:</b> 26/09/2020

### Summary

Pillars	• Brief description of current issues	Inherent (Current) Risk H/S/M/L	Inherent (current) Risk H/M/L	Planned Mitigation Measures	(Future) Residual Risk H/S/M/L
<b>1. Organization and Staffing</b> <i>Risk that the implementing entity does not have the necessary number of adequately qualified and experienced financial management staff in the national and regional centers, resulting in limited ability to meet the functional needs of the project</i>	<ul style="list-style-type: none"> <li>• <b>Delays in accounting registration due to unstaffed positions at SPIU level</b></li> <li>• <b>Financial team still need training on IFAD's FM and disbursement procedures</b></li> </ul>	<p style="text-align: center;"><i>Quote from FMAQ at Design<sup>5</sup></i></p> <p style="text-align: center;">H</p>	S	<ul style="list-style-type: none"> <li>• <b>Two "assistant accountant" will be hired for South and West Kordofan units.</b></li> <li>• <b>Financial team members will take e-learning on IFAD's FM practices and will be trained on IFAD FM &amp; disbursement procedure</b></li> </ul>	M
<b>2. Budgeting</b> <i>Risk that budgeted expenditures are not realistic, not prepared or revised on a timely basis, and not executed in an orderly and predictable manner, resulting in funds not being available when needed, ineligible costs and reallocation of project funds and slow implementation progress</i>	<ul style="list-style-type: none"> <li>• <b>Lack of expenditures' monitoring (category over disbursed)</b></li> <li>• <b>Low rate of budget execution and no updated AWPB</b></li> </ul>	<p style="text-align: center;"><i>Quote from FMAQ at Design (footnote <sup>1</sup>) S</i></p>	S	<ul style="list-style-type: none"> <li>• <b>Regular monitoring and solid analysis of budget vs actual to be conducted</b></li> <li>• <b>Proactive actions to be introduced on time( ex.: Budget reallocation request</b></li> </ul>	M

<sup>5</sup> The inherent risk is measured and recorded at design. Only if conditions change, which impact the inherent risk environment during implementation, should the inherent risk be updated during supervision. Examples of significant events which could have an effect on the inherent risk rating could be the Finance Manager being fired for malpractice, the accounting software collapsing or the Government changing the constitution to severely restrict the independence of the Auditor-General. More positive changes could be for example that a new accounting software is successfully implemented.

	<p><b>(taking into account COVID-19 fallout) was submitted to IFAD approval</b></p> <ul style="list-style-type: none"> <li>• Slight delay in 2020 AWPB submission to IFAD N.O</li> </ul>			<p><b>well before reaching the total allocated amount)</b></p> <ul style="list-style-type: none"> <li>• AWPB preparation process to start well ahead so that submission timelines could be met.</li> </ul>	
<p><b>3. Funds flow &amp; Disbursement Arrangements</b>  <i>Risk that funds from multiple financiers disburse with delay due to cumbersome treasury arrangements or inability of project cost centers and service providers to justify prior advances, resulting in delayed implementation</i></p>	<ul style="list-style-type: none"> <li>• Lack of monitoring of :                         <ul style="list-style-type: none"> <li>- Difference between IFAD's reimbursement amount and submitted WA</li> <li>- Outstanding amount on bank reconciliation</li> </ul> </li> <li>• Incorrect registration and misrepresentation of MSPs contribution</li> </ul>	<p><i>Quote from FMAQ at Design (footnote 1)</i> S</p>	S	<ul style="list-style-type: none"> <li>• Close follow-up to be conducted for any:                         <ul style="list-style-type: none"> <li>- difference between amount reimbursed by IFAD and amounts submitted through WA</li> <li>- outstanding amount on bank reconciliation</li> </ul> </li> <li>• Private sector contributions to be registred under separate accouting ledger</li> <li>• Well capture private sector contribution in financial reports</li> </ul>	M
<p><b>4. Internal Controls</b>  <i>Risk that appropriate controls over Project funds are not in place, leading to the inefficient or inappropriate use of project resources.</i></p>	<ul style="list-style-type: none"> <li>• Lack of knowledge of IFAD FM procedures</li> <li>• No ex-ante checks performed by Internal auditor</li> </ul>	<p><i>Quote from FMAQ at Design (footnote 1)</i> H</p>	H	<ul style="list-style-type: none"> <li>- Internal auditor to be trained with FM team on IFAD FM procedures</li> </ul>	S

	<ul style="list-style-type: none"> <li>• <b>No regular follow-up of Supervision missions or IA recommendations</b></li> <li>• <b>Number of ineligible expenditures identified beyond missing or/and illegible supporting documents</b></li> <li>• <b>No petty cash reconciliation or spot checks conducted</b></li> <li>• <b>Weaknesses in assets physical counting and registration</b></li> <li>• <b>No sufficient segregations of duties</b></li> </ul>			<ul style="list-style-type: none"> <li>• <b>Broaden IA scope: Ex-ante checks and ensure follow-up on recommended actions.</b></li> <li>• <b>Finance team should refer to and apply FM manual procedures , use standard templates, update FM manual with new templates, and ensure that it is widely used across all SPIUs and PCU</b></li> <li>• <b>A thorough review of all past expenditures to ensure proper accounting and proper payment under the right financier to be conducted.</b></li> </ul>	
<p><b>5. Accounting and Financial Reporting</b>  <i>Risk that accounting systems – including polices and standards – are not integrated and reliable, leading to inaccuracies in financial records and that reasonable records are not prepared, issued and stored, leading to lack of informed decision-making.</i></p>	<ul style="list-style-type: none"> <li>• <b>Policies and procedures are created (FM manual – PIM) but are not adhered to</b></li> <li>• <b>Accounting software not fully implemented</b></li> <li>• <b>No separate ledger created for private sector contribution</b></li> </ul>	<p><i>Quote from FMAQ at Design (footnote 1)</i> S</p>	S	<ul style="list-style-type: none"> <li>- <b>Enhanced and wider use of FM manual : all SPIUs and PCU financial team.</b></li> <li>• <b>Accounting software to be fully implemented by the developer as per its ToRs (Set up separate ledgers for each financing source)</b></li> </ul>	M

				<ul style="list-style-type: none"> <li>• <b>Close collaboration with M&amp;E to generate coherent and accurate data on other co-financiers contributions</b></li> </ul>	
<p><b>6. External Audit</b>  <i>Risk that independent and competent oversight of the Project financial statements is not in place or performed timely leading to possible misrepresentation of the financial results and/or suspension or other remedies due to compliance breaches.</i></p>	<p><b>Audit report year 2018-2019:</b></p> <ul style="list-style-type: none"> <li>• <b>not timely submitted</b></li> <li>• <b>Not yet communicated to IFAD</b></li> </ul>	<p><i>Quote from FMAQ at Design (footnote 1)</i>                  L</p>	<b>M</b>	<ul style="list-style-type: none"> <li>• <b>Audit report be submitted to IFAD not later than 6 months after the end of each year</b></li> </ul>	<b>L</b>

**Assessment of overall FM risk**

*The risk that project activities are not carried out in accordance with the provisions of IFAD's financial regulations and that funding is not used for the intended purpose with due regard for economy, efficiency and effectiveness.*

Overall FM risk is assessed as Medium

A Combination of internal and external factors had a negative impact on the pace of IAMDP Implementation and notably on 2020 AWPB execution: i)- an unstable working environment due to salary disparity between staff of the different IFAD-supported projects in the country has started to contribute to staff turnover; ii)- Due to COVID 19 and associated lockdown, the project have had to restrict or suspend implementation of some planned activities (mainly those necessitated community gatherings), to disrupt some of the procurement processes for goods and services leading to the low execution rate of 2020 AWPB and contributing to the overall low disbursement rate of the project; iii)- Price inflation and the unstable exchange rate between the Sudanese Pound (SDG) and the major currencies affected the procurement of goods and services. These elements coupled with internal factors: i) Partially implemented accounting system; ii) Lack of sound monitoring of expenditure (actual vs budgeted); iii) no sufficient segregation of duties iv) with limited Internal audit scope could have created a high risk if a set of elements were missing. In particular, a) IAMDP financial management staff with previous experience in IFAD-funded projects with even basic knowledge of IFAD procedures that need to be recalled, b) two full time dedicated internal auditors (in Sinnar state and in PCU), c) an accounting software – even partially implemented- allow to generate number of accounting statements as well as WA, d) Financial statements – annual and interim- being submitted on time, e) and timely released counterpart fund after payment of all arrears since last December.

Note: Where the FMAQ will be performed via a Financial Management Report Supervision (FMRS), the attached checklist should serve as quick guide indicating the documents required and source of such documents. Where documents can be accessed through IFAD systems this should be sought to reduce time required by project staff to compile documentation. See also separate Guidance Note on FMRS.



Remote FMAQ -  
document checklist.xls

## Detailed Findings

Topic	Brief description of issues	Mitigation Measures
<b>1. Organization and Staffing</b>		
<p><b>a. Adequacy of organizational structure to meet functional needs of the project.</b> <i>Describe the composition and roles of the project's FM department. Is there any overlap between roles? Are the conditions adequate for the appropriate performance of FM functions?</i></p>	<ul style="list-style-type: none"> <li>Although planned, the position of "Accountant &amp; procurement assistant" continue to be not staffed in 2 SPIUs.</li> <li>WA11 still not prepared yet due to delays in the accounting registrations in states levels mainly WK &amp; SK</li> </ul>	<ul style="list-style-type: none"> <li>Staff the position of "Accountant &amp; procurement assistant" in WK and SK</li> </ul>
<p><b>b. Availability of clear job descriptions for key project positions, including fiduciary positions.</b> <i>Do terms of references clearly outline each person's role?</i></p>	<p>Yes, ToRs are available in the Financial Management manual and clearly outline each role</p>	
<p><b>c. Adequacy of project FM staff (numbers and skill) matching functional needs of project.</b> <i>Do project FM staff have the necessary educational qualifications and minimum professional experience for their position?</i></p>	<p>The FM and almost all project's accountants (except one) have previous experiences with IFAD funded projects.</p> <ul style="list-style-type: none"> <li>Most of them haven't participated to any training – mainly on IFAD's Financial practices- since more than two years.</li> </ul>	<ul style="list-style-type: none"> <li>Encourage PCU and SPIUs accountants to take e-learning on IFAD's FM practices.</li> </ul>
<p><b>d. Are project staff subject to annual performance reviews?</b> <i>Is there any follow-up conducted on weaknesses noted, if any?</i></p>	<ul style="list-style-type: none"> <li>Only verbal evaluation at the renewal of the contract</li> </ul>	<ul style="list-style-type: none"> <li>Set up an evaluation system based on written evaluation, recommendations and follow up to ensure adequate capacity building</li> </ul>
<p><b>e. Staff adequately informed about IFAD's anti-corruption policy.</b> <i>Has staff undergone training on the policy and associated measures?</i></p>	<p>Most of them still not aware although presented in the PIM.</p> <ul style="list-style-type: none"> <li>No training covering this subject has been displayed to IAMDP Staff</li> </ul>	<ul style="list-style-type: none"> <li>Make sure that all project staff are aware of IFAD's and the National's anticorruption policies</li> </ul>
<b>2. Budgeting</b>		
<p><b>a. Timely preparation and approval of AWPB.</b></p>		<ul style="list-style-type: none"> <li>Submit AWPB to PSC earlier in order to be able to submit it to</li> </ul>

Topic	Brief description of issues	Mitigation Measures
<p><i>Who is involved in the AWPB preparation/approval process? Is there adequate checking of the AWPB by finance/accounting department prior to submission to IFAD? Are budgets prepared in sufficient detail to allow for meaningful monitoring of subsequent performance? Is there a parallel government planning process besides the AWPB that the project needs to follow?</i></p>	<p>2020 AWPB was first approved by the technical committees at the states level, and then by the Project Steering Committee at the national level</p> <p>2020 AWPB submitted with slight delays (Submission: on 12/12/2019 and IFAD NO: on 09/01/2020).</p> <p>No parallel government planning process besides the AWPB to follow.</p> <p>An updated AWPB taking into consideration changes brought about by pandemic COVID 19 was not submitted to IFAD in an earlier stage.</p>	<p>IFAD no objection no later than 1st November of each year</p>
<p><b>AWPB is in line with the components in the design document and the expenditure categories of the Schedule 2 of the Financing Agreement.</b></p> <p>b. <i>Are activities included that were not foreseen originally? Does the budget include physical and financial targets?</i></p>	<p>Yes,</p>	
<p><b>Financing sources and implementing agencies for each components and categories in the AWPB are identified.</b></p> <p>c. <i>Is there any significant variations in the funding available from different sources from previous AWPBs?</i></p>	<p>Yes,</p>	
<p><b>Linkage between AWPB and Procurement plan are identified (for cost estimate and activities).</b></p> <p>d. <i>Check assumptions to support cost estimates.</i></p>	<p>Yes,</p>	
<p><b>Does the project consistently track budget vs actuals?</b></p> <p>e. <i>Is there periodic analysis of planned vs actual expenses? Are significant variations noted and followed-up on?</i></p>	<ul style="list-style-type: none"> <li>• Although a periodic analysis of planned vs actual expenses is done through Progress report and IFR, it was noticed that Category 6 (Operating costs) has been over-disbursed by 61% and no follow-up action was undertook</li> </ul>	<ul style="list-style-type: none"> <li>• Submit to IFAD a dully justified budget reallocation request</li> </ul>



Topic	Brief description of issues	Mitigation Measures
<b>3. Funds flow and Disbursements Arrangements</b>		
a. <b>Designated Account and Disbursement methods.</b> <i>Describe the arrangements.</i>		
<b>i) Disbursement methods used and preparation of WAs.</b> <i>Are the disbursement methods used by the project appropriate? How frequently are WAs prepared and submitted to IFAD? How frequently are replenishments occurring? Are direct payments being used? Are the authorized signatories aligned to the delegation of authority provided by the Borrower/Recipient? (check for ICP projects) Does the timeliness of funds disbursement affect the project implementation?</i>	WA are submitted quarterly and each time when expenditures reach 30% of the AA. D.P has been used once (WA 7 – Dec. 2019). • The difference between amount refunded by IFAD and requested through WA 8 has not been followed up on	• Request clarification on the difference between WA8 and IFAD reimbursement. Take any necessary measures: e.g. correct a wrong allocation, a financier, etc.).
<b>ii) Adequacy of the authorized allocation.</b> <i>Is the AA adequate? Are there liquidity constraints?</i>	Yes	
<b>iii) Adequacy of SOEs supporting documentation.</b> <i>Is the supporting documentation provided sufficient and according with the requirements for the specified category, SoE threshold and disbursement method?</i>	Almost all payment are under threshold and expenditures were presented on the SOE. Only one Direct payment • However number of weaknesses have been identified regarding quality of supporting documents (see 4.c)	• Train FM team members and Internal auditor on IFAD FM practices & procedures • Use standard forms and templates as provided by the FM manual
<b>iv) Designated Account and Project Accounts monitoring and reconciliation.</b> <i>Does the project prepare bank reconciliations? Are the Project Accounts reconciled with the Designated Account? Is the segregation of duties appropriate? **In the final year of implementation it is required to prepare a recovery plan.</i>	• Some Bank reconciliation are not dated. EX.: Dec. 2019- NK+SK- march 2020: sennar, NK; WK ; Aug. 2020: NK • An outstanding amount still appearing on DA bank reconciliation	• Put dates on all bank reconciliation • Ensure follow-up with CBoS to take necessary action and thus to clear the DA bank reconciliation statement
<b>v) Counterpart funds (government, beneficiaries, etc.)</b> <i>What is the counterpart funding covering? Is counterpart funding provided on a timely basis? How is the project recording and tracing the counterpart funds?</i>	GoS has refunded all its arrears. 17% of salaries=staff insurances are now supported by GoS. VAT and customs fees are also paid and registred – on project accounting system - as GoS counterpart .	• Use the appropriate account to register private sector contributions in the accounting system

Topic	Brief description of issues	Mitigation Measures
	<p>M&amp;E department provides FM with beneficiaries and Private sector contributions.</p> <ul style="list-style-type: none"> <li>Private sector contributions is missing amounts paid by MSPs as rental fees of some agriculture equipement</li> </ul>	<ul style="list-style-type: none"> <li>Capture Private sector contribution in annual and IFR and update it by payments done by MSP in dec. 2019 and July 2020 in IFR / Annual FR</li> </ul>
<p>b. <b>Efficiency of the funding channels. Timeliness and traceability of funds.</b> <i>Is it possible to identify the flow of funds until the final recipient?</i> <i>**For credit lines, describe the flow of funds and the arrangements.</i></p>		
<p>c. <b>Budget execution compared with the AWPBs.</b> <i>Describe any constrain in the AWPB approval process.</i></p>	<p>Execution rate of 2020 AWPB is 43% at end August 2020. This low 2020 budget execution is mainly due to COVID 19 related restrictions and delayed or cancelled activities due to lockdown which lasts for more than 3 months</p> <ul style="list-style-type: none"> <li>No updated AWPB 2020 was submit to IFAD no objection</li> </ul>	<ul style="list-style-type: none"> <li>An updated AWPB taking into consideration any changes (like those brought about by the COVID-19) ought have been submitted to IFAD approval early at the beginning of the lockdown or the occurrence of any other exceptional circumstance</li> </ul>
<b>4. Internal Controls</b>		
<p>a. <b>Policies, Procedures, and Manuals.</b> <i>Are there policies or procedures that outline the decision processes? Are they clear? Is there a separate Financial Manual (or equivalent)? How often are policies, procedures, and manuals reviewed/updated? What is the process of approval when modifications are required?</i></p>	<p>A Financial Management manual (part of the PIM) is approved since feb 2019 contains clear policies and procedures.</p> <ul style="list-style-type: none"> <li>Mistake is slipped in the current FM version mentioning the Lebanese government instead of the Sudanese one</li> <li>The name of another project was used instead of IAMDP (SNRLP)</li> </ul>	<ul style="list-style-type: none"> <li>Use templates as provided by the PIM- FM manual</li> <li>Harmonize templates in all SPIUs and Update the FM manual accordingly</li> <li>Correct mistakes in the FM manual</li> </ul>
<p>b. <b>Segregation of duties.</b> <i>Are the following functional responsibilities performed by different units or persons?</i> i) Preparation of a transaction; ii) Review of a transaction;</p>	<ul style="list-style-type: none"> <li>There is not a sufficient segregation of duties mainly in the SPIUs where the accountant is performing more than one level of authority. Ex.: withdraw money from project bank</li> </ul>	<ul style="list-style-type: none"> <li>Undertake mitigation actions mainly through more frequently internal audit missions or by expanding audited samples.</li> </ul>

	<b>Topic</b>	<b>Brief description of issues</b>	<b>Mitigation Measures</b>
	iii) <i>Authorization of a transaction;</i> iv) <i>Custody of assets; and</i> v) <i>Reconciliation of accounts</i>	account against checks issued on his name and register the same transaction on the accounting system.	<ul style="list-style-type: none"> <li>• The Internal Auditor has to step in at the beginning of the process and not limit his function to ex-post reviews</li> </ul>
c.	<p><b>Effectiveness and efficiency of internal controls over expenditures (full cycle from commitment, receipt of good and services, approval of payments, payment, classification, etc.)</b></p> <p><i>Is there documentary evidence to confirm the delivery and acceptance of goods, works, and/or services? Can it be verified that they were delivered to the end beneficiaries? Perform a sample check.</i></p> <p><i>Are payments to suppliers and consultants done on a timely basis? If there are delays, identify how long delays are and whether they significantly impact project execution. Is the timing of the payment identified in contracts with third parties?</i></p> <p><i>Is the filing/archive and maintenance of records appropriate?</i></p>	<ul style="list-style-type: none"> <li>• Often supporting doc are missing: ex. Purchase order, contract or agreement</li> <li>• There is no evidence that the final payee has received its money</li> <li>• Date or name of the project are missing on the invoice</li> <li>• PO is not dated, unable to check whether it is issued before or after the invoice</li> <li>• PO often is unclear and difficult to understand as is fully handwritten</li> <li>• Same provider of repetitive purchase, no copy of contract or agreement</li> <li>• Some invoices dated since march 2019 one doc.dated year 2018</li> <li>• Missing proof of payment</li> <li>• No proof of receipt by final beneficiaries</li> <li>• Total amount to be paid to consultants is not indicated on the invoice, which only mentions the number of days. At the bottom of the invoice sheet, the FM makes manual calculations.</li> </ul>	<ul style="list-style-type: none"> <li>• Use templates as provided by the PIM- FM manual</li> <li>• Harmonize templates in all SPIUs and Update the FM manual accordingly</li> <li>• Train FM team on IFAD FM procedures</li> </ul>
d.	<p><b>Controls over cash.</b></p> <p><i>What are the arrangements of cash management in the project?</i></p> <p><i>Who has the control over cash, documents and records? Is this function sufficiently independent?</i></p> <p><i>Who has custody of the petty cash box?</i></p> <p><i>Is the petty cash subject to monthly reconciliation as well as spot checks?</i></p>	<p>Only at PCU level, a petty cash is under the custody of the admin. Officer</p> <ul style="list-style-type: none"> <li>• No petty cash reconciliation</li> <li>• No spot checks</li> </ul>	<ul style="list-style-type: none"> <li>• Establish petty cash reconciliation statements on a monthly basis.</li> <li>• Report all spot checks' results of the petty cash in a statement duly signed by admin officer and the line manager</li> </ul>

Topic	Brief description of issues	Mitigation Measures
e. <b>Adequacy of controls and authorization process for use of funds (payments, transfers, Cash/Bank balance management) / and other operational accounts.</b> <i>For decentralized activities, who is responsible for overall Financial Management? Is there adequate segregation of duties?</i>	Accountants at the states levels are responsible for overall Financial Management • No sufficient segregation of duties (see b. )	
f. <b>Adequacy of contract management and filing (use of contracts register and monitoring form).</b> <i>Is the contract register updated on a regular basis? Who is responsible for the process?</i>	Contract register is updated by the procurement officer	
g. <b>Adequacy of controls on project assets management.</b> <i>i) Vehicle and other assets management (are assets property tagged, is a physical inventory count done on a regular basis?) ii) Fuel management (do drivers maintain a log book?) iii) Travel authorisations (incl. DSA paid to staff) iv) Recordkeeping for fixed assets and inventory (how often is the fixed asset register reviewed and updated?) v) What policies and procedures (insurance) are in place to adequately safeguard or protect assets from fraud, waste, and abuse?</i>	• Physical assets inventory count has been done by all SPIUs except PCU • The PIM sets out the requirement to insure all project equipment.	• Conduct an annual assets' inventory at PCU level • 1- Improve assets register presentation- use the template in the FM manual of IAMDP: ○ Add a coding column ○ Align item descriptions on Assets register with those on the physical inventory statements to facilitate reconciliations ○ Add assets inherited from SDP & SUSTAIN • 2- Insure agricultural implements and office furnitures
h. <b>Workshops:</b> <i>i) Availability of list of participants (daily list of participants for multiple-day workshops) ii) If a DSA/Per diem was paid to participants. What applicable rates the projec followed for the payments? iii) Receipts/invoices for workshop expenditures. iv) How are workshop venues paid? Is there a pre-existing policy of the implementing agency on cash management for workshops?</i>	Yes : List of participant is automatically filed as supporting doc for relating expenditure • As DSA rates have been approved by bylaw and effective on 1 st April 2020, SDP rates have been used until march 2020. • Inappropriate DSA calculation	• Correct calculation of DSA - based on number of nights and not on days • Extend the use of PIM- FM manual
i. <b>Eligibility of advances from project funds and timely justification.</b> <i>On what basis are funds transferred to other executing agencies (MoU, Contracts, etc.)? Are the modalities for different types of partners or suppliers provided for in the PIM?</i>	No funds being yet transferred to other executing agencies	

Topic		Brief description of issues	Mitigation Measures
j.	<p><b>Compliance with Financial Management covenants in the Financing Agreements and Letter to the Borrower / Recipient.</b> <i>Identify whether any of the covenants have not been met.</i></p>	<ul style="list-style-type: none"> <li>Assets register do not include remaining assets of the SUSTAIN and SDP projects were transferred to the IAMDP</li> <li>VAT still being paid by IFAD Grant proceeds – sample reviewed from SOE</li> <li>Office and agricultural equipment still not yet insured</li> <li>Audit report received not in time and still not yet communicated to IFAD</li> </ul>	<ul style="list-style-type: none"> <li>To Fully comply with Financial agreement covenants</li> </ul>
k.	<p><b>Eligibility of expenditures with respect to Financing Agreement.</b> <i>Have there been cases of ineligible expenses noted in previous supervision missions or external audit reports? If yes, what were the reasons for ineligibility? Perform a check on at least 30% of the expenses claimed since the previous supervision mission to verify eligibility in accordance with the Financing Agreement, Letter to the Borrower, and other IFAD requirements.</i></p>	<ul style="list-style-type: none"> <li>Number of ineligible expenditure has been detected while reviewing sample of SOE mainly relatinf to VAT amounts still supported by IFAD Grant proceeds and other cases – ref to tab. SOE Review</li> </ul>	<ul style="list-style-type: none"> <li>A thorough review of all past expenditures to ensure proper accounting and proper payment under the right financier is required.</li> </ul>
l.	<p><b>Existence of Internal Audit arrangements.</b> <i>Is there an internal audit department in the implementing entity? Will the project be covered by an internal audit? If not, is internal audit deemed necessary to ensure appropriate internal controls function effectively? What is the role of the internal audit?</i></p>	<p>Yes, Two Internal auditors – one in Sinnar PIU and one in PCU</p>	
m.	<p><b>Adequacy of internal audit arrangements and quality of report.</b> <i>Is internal audit independent? What are the qualifications of IA staff? What is the scope of the internal audit?</i></p>	<p>They have previous exp. Within the General Directorate of Internal Audit of MoFEP) Scope limited to ex-post reviews + No follow up</p>	<ul style="list-style-type: none"> <li>The Internal Auditor has to step in at the beginning of the process perform ex-ante checks</li> <li>Follow-up of previous recommendations (of IA as well as Supervision missions) should be included in its report</li> </ul>
n.	<p><b>Assessment of matters raised in audit reports.</b> <i>Has the internal auditor reported any issue that could lead to a potential ineligible expenditure? Has the project taken actions to address the audit recommendations?</i></p>	<ul style="list-style-type: none"> <li>IA reports do not contain a follow-up status on previous recommendations</li> </ul>	
<b>5. Accounting and Financial Reporting</b>			
a.	<p><b>Basis of accounting applied by the project (cash, accrual), and whether the accounting standards are in line with IFAD's requirements (e.g. IFRS/IPSAS/IPSAS cash).</b></p>	IPSAS Cash basis	

Topic	Brief description of issues	Mitigation Measures
<p><b>Adequacy and reliability of accounting system.</b>  <i>Is double entry accounting used? Specify the accounting software used.</i>                      b. <i>Is budget data entered and monitor through the accounting system? Can the accounting system produce regular automated financial reports? Does the project have adequate policies and procedures and manuals in place to guide activities and ensure staff accountability? Is the accounting policies and procedures updated regularly and for the project activities? Are the policies and procedures communicated with the appropriate personnel?</i></p>	<ul style="list-style-type: none"> <li>• Final Solution Co is not fully implemented and the developer has not yet customized it to IAMDP needs</li> <li>• Budget data is manually entered and monitored</li> <li>• Procedures are in place but not adhered to</li> <li>• Financial staff team are aware of the existence of PIM and FM Manual but they do not adhere to its procedures and do not use its templates</li> </ul>	<ul style="list-style-type: none"> <li>• Adapt FSC to IAMDP needs as per ToRs (mainly payroll, assets management, automatic bank reconciliations, etc.)</li> <li>• FM staff members should make them selves familiar with FM Manual procedures and use its standard templates</li> </ul>
<p>c. <b>Fixed assets register maintained and reconciled (sample and physical check).</b></p>	<ul style="list-style-type: none"> <li>• Fixed asset register not well presented making reconciliation between accounting data and physical inventory hard even impossible to do</li> </ul>	<ul style="list-style-type: none"> <li>• Item descriptions on assets register should aligned with those on the physical inventory statements to facilitate reconciliations.</li> <li>• Improve assets register presentation use FM Manual template</li> </ul>
<p>d. <b>Adequate documentation and controls for information systems, including documented accounting procedures, backup/filing of financial records, integration of all sub-systems.</b>  <i>Who is responsible for recordkeeping?</i></p>	<p>As mission is conducted remotely filing and backup were not assessed</p>	
<p>e. <b>Adequacy of chart of accounts for project accounting purposes.</b>  <i>Refer to the most recent audit review in the Audit Report Tracking System (ARTS) for the most recent assessment of financial reporting and assigned performance rating.</i></p>	<p>Yes</p>	
<p>f. <b>Timeliness of recording transactions, regularity of performance and approval of reconciliations, controls on erroneous recordings.</b>  <i>Identify control measures in place.</i></p>	<ul style="list-style-type: none"> <li>• Data of September not yet reconciled and recorded – at PCU level- due to delay in submission by mainly 2 SPIUs (WK and SK)</li> </ul>	<ul style="list-style-type: none"> <li>• Expedite the process of hiring 2 assistant accountant</li> </ul>

Topic		Brief description of issues	Mitigation Measures
g.	<p><b>Appropriate/ adequate accounting and reporting of counterpart funds contributions (incl. tax and tax exemptions) as well as beneficiary contributions.</b> <i>Does the project use the same accounting system to record co-financing?</i></p>	<ul style="list-style-type: none"> <li>Accounting system allows such a split between counterpart funds contributions at registration. However separate ledgers for Private sector is not yet created</li> </ul>	<ul style="list-style-type: none"> <li>Accounting system service provider to continue its work of implementation</li> <li>Set up separate ledgers for each financing source</li> </ul>
h.	<p><b>Completeness, accuracy, usefulness, and timeliness of financial reports.</b> <i>Are financial reports provided in accordance with International standards? Are financial reports prepared following the IFAD Handbook for Financial Reporting and Auditing?</i></p>	Yes	
i.	<p><b>Preparation of reports showing actual vs budget income/expenditure and AWPB execution rate.</b></p>	Yes (manually on MS Excel)	
j.	<p><b>Interim FM reports – unaudited annual Financial Statements</b> <i>Does the project prepare Interim Financial Statements according to frequency outlined in the Letter to the borrower/recipient? Is the project submitting unaudited annual Financial Statements within 4 months the end of the FY?</i></p>	Yes	
k.	<p><b>Reasonable alignment between disbursement rate of recurrent costs versus investment costs.</b> <i>For consistency, assess the information reported in the Financial Statements against the information reported in the progress reports</i></p>	<ul style="list-style-type: none"> <li>Disbursement rate of recurrent assets are approximatively the double of investment costs</li> </ul>	
<b>6. External Audit (Refer to Audit Report Tracking System (ARTS – Quality &amp; Timeliness of Audit Section)</b>			
a.	<p><b>Performance of first audit.</b> <i>If the first audit has not yet been done, comment on the status of procurement of the auditor and comment on their ToR.</i></p>	<b>SAI – National Chamber of Audit</b>	
b.	<p><b>If the first audit has already been done and assessed in the Audit Report Tracking System (ARTS):</b> <i>(i) refer to the latest supervision mission report which should make reference to the most recent audit review (as recorded in ARTS), which should already cover timeliness and audit standards;</i> <i>(ii) comment on the status of the procurement of the auditor and the adequacy of their ToR for the next cycle; and</i> <i>(ii) comment on the implementation status of the ARTS recommendations, highlighting what has been resolved and what is still outstanding.</i></p>	<ul style="list-style-type: none"> <li>Audit report year 2018-2019, received not in time</li> <li>Although received in Sept 2020 is not yet communicated to IFAD</li> </ul>	<ul style="list-style-type: none"> <li>Audit report should be communicated to IFAD within 6 months of the end of each year</li> </ul>





## VI. Partnership-Building

Partner's Name	Indicate whether NGO, UN Government Agency, Private Sector, etc.	Partnership based on written agreement (yes or no)	Exact Nature of Partnership
a) African Development Bank <ul style="list-style-type: none"> <li>• Agricultural Value Chain Development Project</li> </ul>	International Financing Institution	No. The original plan is to have written MOUs but till now this has not happened.	To avoid duplication in the targeted community. The activities will be implemented in the same targeted villages by both of the projects in a complementary manner. Sharing of information and experience of the similar activities implemented by both projects
b) Partner Financial Institutions (specify all those with which a partnership has been established) <ul style="list-style-type: none"> <li>• ABSUMI</li> <li>• Baraah</li> <li>• Ebdaa Bank</li> </ul>		Yes. MOUs are to be negotiated and agreed upon and signed.	The MFIs are to provide the project targeted farmers with seasonal loans to facilitate the adoption of new and improved crop production inputs and technologies to creating an enabling environment for the scaling up of these technologies among the project and non-project beneficiaries.
c) Other IFAD Supported Projects in Sudan <ul style="list-style-type: none"> <li>• Livestock Marketing and Resilience Project (LMRP)</li> </ul>	IFAD funded project	Yes. A MOUs was negotiated and signed between the two project in July 2020	Is to enable target groups specially the smallholder farmers, to further enhance their livelihoods and resilience in relation to their livestock development aspects. The partnership also based on providing technical assistance to the small farmers to use to the maximum the by-products and residues of crops to feed their animals so as to decrease pressure on natural resources in the areas where they live.
d) Private Sector Companies <ul style="list-style-type: none"> <li>• Central Training Company</li> <li>• Nile Sun Company</li> <li>• Agrimatco Company</li> <li>• Nor-agro-science Company</li> <li>• Nectar Company</li> <li>• Katbase Company</li> <li>• Arab Sudanese Seed Company (ASSCO).</li> <li>• Africorp Company</li> <li>• Wad Bagoui</li> </ul>	Private Sector Companies	Yes	The purpose of the partnership is for IAMDP and the Private Sector Companies to jointly develop field demonstrations of agrochemicals identified and supplied by the Company, on farmer-managed plots supervised by extension teams supported by IAMDP, in selected rain-fed farming areas in the project area. These field demonstrations in general are intended to create awareness and effective demand for Agrochemicals and other inputs by demonstrating their

			performance under field conditions.
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## **Sudan**

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### **Integrated Agriculture and Marketing Development Project Supervision Report**

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

Mission Dates: 20/09/2020 - 09/10/2020  
Document Date: 11/11/2020  
Project No. 2000001517  
Report No. 5539-SD

Near East, North Africa and Europe Division  
Programme Management Department



## Appendix 5: Mission Preparation and Planning, TORs, Schedules, People met.

### A. Mission Terms of Reference

MISSION DETAILS	
<b>Country of Assignment/Location:</b>	Sudan
<b>Mission Name:</b>	Integrated Agricultural and Marketing Development Project (IAMDP) 2 <sup>nd</sup> Supervision Mission – Remote
<b>Mission Start Date:</b>	20 <sup>th</sup> September 2020
<b>Mission End Date:</b>	9 <sup>th</sup> October 2020
<b>Division/Department:</b>	Programme Management Department (PMD)
<b>Reports to (name and title):</b>	Tarek Ahmed, Country Director, NEN/PMD

MISSION COMPOSITION (Team members' full name and specialization)	
Name:	Specialization:
Mr. Shakib Mbabaali	Technical Team Leader/Lead Writer.
Mr. Cornelius Chiduzza	Agronomist, Nutritionist and Climate Change Specialist.
Mr. Swandip Sinha	Rural Finance Specialist
Mr. Rabie Adelatif Mohamed	Agribusiness and Private Sector Specialist
Mr. Mohamed Abdel-Latif	Procurement Specialist
Ms Sondos Tlili	Financial Management Specialist
Ms Emma Federica	Social Inclusion Specialist
Mr. Ahmed Subahi	Country Programme Officer, NEN-IFAD
Mr. Tarek Ahmed	Country Director and Mission Leader, NEN/PMD

MISSION SCHEDULE
20/09/2020 : In-country Mission members meet in Khartoum to agree on mission schedule of activities and approach
20 – 22/09/2020: Mission conducts activities at Khartoum level
23/09 – 06/10/2020: Mission travels to the field to conduct activities at project operational area in accordance to the applied measures
06/10/2020: Mission shares mission findings with the project team and stakeholders.
07/10/2020: Mission submits the draft AM to MoFEP, MoANRs and MoARs and travels back to Khartoum and
09/10/2020: Wrap-up meeting at the MoFEP and the AM signed by IFAD and the MoFEP.

## BACKGROUND

IAMDP approved by IFAD's Executive Board in December 2017, became effective in Mid-February 2018 and is scheduled for completion on 15<sup>th</sup> February 2023. The project is financed by an IFAD DSF grant of EUR 22.4 million, a Government contribution of EUR 7.55 million. The IAMDP will consolidate the investment activities supported by the SUSTAIN and SDP projects by moving from demonstration to scale-up to the same and additional geographical areas of these projects where other smallholder farmers face challenges on low crop productivity, limited access to market and finance, and vulnerability to climate change. IAMDP will rely on the success factors by building on the good experience of previous projects, in the area of, involving the well-capacitated communities, with adequate organizational structures, work of the already existing capacitated extension teams at the locality level, engagement of emerging village-based private sector operators and will be tapping on the project management experience and ded the PCUs of SUSTAIN and SDP dedicated staff.

The IAMDP is being implemented in the four states of Sinnar (SS), North Kordofan (NK), South Kordofan (SK) and West Kordofan (WK). The main source of livelihood among rural populations in the Project area is traditional rain-fed agriculture (crop production, animal husbandry (mainly of small ruminants) and forest-based activities (mainly gum Arabic). The IAMPD will intervene in 129 villages targeting 27,000 smallholder households. Target groups include small producers, rural women and youth with farm sizes of less than 15 feddans.

### The project has the following technical components:

**Component 1:** Enhanced Crop Productivity and Production – The expected outcome is enhanced smallholder productivity, quality, and production of the main cash crops (sesame, groundnuts and gum Arabic) and sorghum as the main staple crop;

**Component 2:** Market Linkage and Value Addition – The expected outcome is higher income for the smallholder producers through improved market access, introduction and strengthening of village-based post-harvest crop storage, and introduction of value addition/market linkage activities to increase the net returns from cash crops; and

**Component 3:** Enabling Environment – The expected outcome is improved smallholder access to finance, a higher level of smallholder business competency, and strong, active farmer producer associations that will go beyond receiving Project support.

**The project Goal** is to enhance food security and reduce poverty in poor rural households, through investment in

## MISSION OBJECTIVES AND OUTPUTS

The objectives of the 2<sup>nd</sup> IAMDP supervision mission are: (i) to review both the technical and fiduciary aspects of IAMDP; (ii) Assess the progress made by the project in the implementation of the 1<sup>st</sup> supervision mission (August 2019) recommendations and agreed actions (iii) to provide clear guidance on how the project improves its performance to satisfy its development objectives. Special attention will be given to the disbursement and utilization of funds, business development and rural finance.

Mission outputs include:

- a) Mission Aide Memoire;
- b) Draft Management Letter; and
- c) Draft Implementation Support/Supervision Reports, including the Project Status Ratings (PSRs) and annexes/working papers as required by IFAD reporting format.

## INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES

<b>Full Name of Consultant:</b>	Mr. Shakib Mbabaali
<b>Expected Start Date of Assignment:</b>	20/09/2020
<b>Expected End Date of Assignment:</b>	11/10/2020
<b>Total number of working days (max. 240 in a 12-month period):</b>	22 days

<b>GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVE(S) TO BE ACHIEVED</b>	
<b>Expected Activities:</b>	
<ul style="list-style-type: none"> <li>• Remotely, and relying on the available communication facilities, coordinate all technical aspects of the Mission, ensuring synergies of the works of the mission team members and provide guidance to his alternative field team leader and the mission members in light of the mission's overall objective;</li> <li>• Review the background documents to gain in-depth information about the project. Rely on the ground field team leader and/or other ground mission members to assess the project's implementation progress, sustainability, challenges and opportunities and provide recommendations on how to improve implementation, sustainability, and, as needed, adjust activities and/or implementation arrangements for the remaining Project period;</li> <li>• Discuss implementation modalities, constraints and lessons learnt with stakeholders involved (PMU, SIUs, extension teams, etc.);</li> <li>• Assess the effectiveness of the Project management structure, work organization and staff distribution, including the role of the Technical Assistance Team (consultants), and linkages with other implementing agencies and departments;</li> <li>• Meet with the IAMDP's Planning, Monitoring and Evaluation Officer and discuss issues related to monitoring, capturing and reporting of the Project's progress, including the frequency, format and content of the reports. Particular focus should be put on the planned implementation of the monitoring and evaluation system and the data management system. Emphasis must be made that implementation progress reports should not reflect only budget usage but also a means of capturing (in a measurable manner) output, outcome, impact, and beneficiaries reached. As much as possible, identify perceived and actual constraints and problems as may exist and provide advice for improvement as may be needed;</li> <li>• Undertake a review of actions taken on Agreed Actions with the last Supervision Mission with emphasis on effectiveness or lack thereof;</li> <li>• With the help of the mission members, lead and contribute to the write up of the Mission's Aide-Memoire following the IFAD template and requirements, consolidate and synthesize the contributions from the mission members into an implementation support and Supervision Reports including annexes, and participate in the supervision's mission peer-review as required; and</li> <li>• Undertake any other tasks that may be requested by the Mission Leader.</li> </ul>	
<b>KEY PERFORMANCE INDICATORS</b>	
<b>Expected Outputs (please include any travel if applicable):</b>	<b>Required Completion Date:</b>
Will work with the rest of the Mission members to coordinate the production of:	
a) Mission Aide Memoire, draft Management Letter and draft implementation support and Supervision Reports, including the Project Status Ratings (PSRs), annexes and/or working papers as required by IFAD reporting guidelines.	06-14/10/2020
b) Facilitate the overall mission activities.	20/09 – 09/10/2020
<b>INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES</b>	
<b>Full Name of Consultant:</b>	Mr. Cornelius Chiduzza
<b>Expected Start Date of Assignment:</b>	24/09/2020
<b>Expected End Date of Assignment:</b>	05/10/2020
<b>Total number of working days (max. 240 in a 12-month period):</b>	12 days
<b>GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVE(S) TO BE ACHIEVED</b>	
<b>Expected Activities:</b>	

Remotely:

- Review the background documents to gain in-depth information about the project.
- Assess the project's implementation progress, sustainability, challenges and opportunities and provide recommendations on how to improve implementation, sustainability, and, as needed, adjust activities and/or implementation arrangements for the remaining Project period, especially with respect to Component 1: Enhanced Crop Productivity and Production;
  - Discuss implementation modalities, constraints and lessons learnt with stakeholders involved (Project Management Units (PMUs), State Implementation Units (SIUs), extension teams, etc.);
  - Assess and ensure the overall environmental sustainability of the project's activities and agricultural interventions (e.g. agricultural packages, inputs, etc.), especially under component 1;
  - Elaborate action plan on how to reduce the ecological footprint of the project and make the project's activities and agricultural interventions climate-smart and more sustainable; if necessary, identify and recommend concrete measures with timelines, including measures to promote and raise awareness among project staff, farmers and stakeholders about climate-smart and environment-friendly approaches to enhance crop productivity and production (component 1); ensure that respective approaches become part of any future activities;
  - Undertake a review of actions taken on implementation of Agreed Actions (AAs) with the last Supervision Mission (August 2019) with emphasis on effectiveness or lack thereof;
  - Assess and establish any innovations emanating from IAMDP's implementation along with the potential for learning, replication and scaling-up;
  - Evaluate the potential for sustainability for those interventions within your area of responsibility, and provide advice on actions that may be necessary to improve these;
  - Contribute to the write-up of the Aide Mémoire, mission Report and prepare any Technical paper or annex as guided by IFAD reporting guidelines and requested by the mission technical leader and;
  - Undertake any other tasks that may be requested by the Mission Leader.

<b>Expected Outputs (please include any travel if applicable):</b>	<b>Required Completion Date:</b>
Will work with the Mission's Technical Leader/Lead writer and contribute to the production of the following Mission outputs:	
a) Mission Aide Memoire; this will be required in time for compilation and sharing with the PMU and government;	05/10/2020
b) Draft Supervision Report, including the Project Status Ratings (PSRs). This, too, is a time-sensitive output, must be produced and submitted to the Lead Writer not later than 5 days after submitting contribution to the Aide Memoire; and	05/10/2020
c) A brief technical annex essentially providing guidance to the Project Management team on the effective implementation of Component 1.	05/10/2020

**INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES**

<b>Full Name of Consultant:</b>	Mr. Rabie Abdelatif
<b>Expected Start Date of Assignment:</b>	20/09/2020
<b>Expected End Date of Assignment:</b>	09/10/2020
<b>Total number of working days (max. 240 in a 12-month period):</b>	20 days (14 nights in the field – 23/09/2020 – 07/10/2020)

**GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVE(S) TO BE ACHIEVED**

**Expected Activities:**

- To communicate, facilitate, coordinate all technical aspects of the mission with mission team leader to ensuring synergies of the works of the mission team members and provide support to the mission members in light of the mission's overall objective.
- Review the background documents to gain in-depth information about the Project.
- Assess the Project's implementation progress, sustainability, challenges and opportunities and provide recommendations on how to improve implementation, sustainability, and, as needed, adjust activities and/or implementation arrangements for the remaining Project period;
- Analyse and discuss actual and potential problems and constraints that could affect the achievements of outputs and objectives and guide the stakeholders (PMU, SIUs, extension teams, etc.) to devise measures to address them and enhance implementation progress;
- Assess the effectiveness of the Project management structure, work organization and staff distribution, including the role of the Technical Assistance Team (consultants), and linkages with other implementing agencies and departments;
- Review the preparedness for and progress made in implementing the approved 2020 IAMDP Annual Work Plan and Budget (AWPB), particularly focusing on Component 2 and parts of Component 3 that relate to smallholder business competency and producer associations and provide implementation support where needed;



- Assess and establish any innovations emanating from IAMDP’s implementation along with the potential for learning, replication and scaling-up;
- Evaluate the potential for sustainability for those interventions within your area of responsibility, and provide advice on actions that may be necessary to improve;
- For those interventions within your area of responsibility, evaluate the following: a) coherence (or lack thereof) between IAMDP’s approved AWPB and implementation; b) the Project’s targeting approach; c) the success (or lack thereof) of the Project’s gender focus; d) the success (or lack thereof) of the Project’s poverty focus;
- In consultation with the mission leader, contribute to the write up of the Mission’s Aide-Memoire, Supervision Mission report and appendices following the IFAD template and requirements.
- Prepare and submit a brief technical annex essentially providing guidance to the Project Management team on the effective implementation of Component 2 and those parts of Component 3 that relate to smallholder business competency and producer associations. Aide Memoire contributions will be required in time for compilation and sharing with the PMU and government; and
- Undertake any other tasks that may be requested by the Mission Leader.

**KEY PERFORMANCE INDICATORS**

<b>Expected Outputs (please include any travel if applicable):</b>	<b>Required Completion Date:</b>
Will work with the Mission’s Technical Leader/Lead writer and contribute to the production of the following Mission outputs: - Mission Aide Memoire; this will be required in time for compilation and sharing with the PMU and government;	06/10/2020
- Draft Supervision Report, including the Project Status Ratings (PSRs). This, too, is a time-sensitive output, must be produced and submitted to the Lead Writer not later than 5 days after submitting contribution to the Aide Memoire; and	06/10/2020
- A brief technical annex essentially providing guidance to the Project Management team on the effective implementation of Component 2 and those parts of Component 3 that relate to smallholder business competency and producer associations.	05/10/2020

**INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES**

<b>Full Name of Consultant:</b>	Mr. Swandip Sinha
<b>Expected Start Date of Assignment:</b>	24/09/2020
<b>Expected End Date of Assignment:</b>	05/10/2020
<b>Total number of working days (max. 240 in a 12-month period):</b>	12 days

**GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVE(S) TO BE ACHIEVED**

**Expected Activities:**

- Remotely will:
- Review the background documents to gain in-depth information about the Project.
  - Assess the Project’s implementation progress, sustainability, challenges and opportunities and provide recommendations on how to improve implementation, sustainability, and, as needed, adjust activities and/or implementation arrangements for the remaining Project period;
  - Appraise the identification and selection of villages targeted, especially the old ones (from SDP/SUSTAIN) that should have been assessed in the first place against their maturity level and their ability to manage credit process. Review achievements in sensitizing them and the provision of Farming as a Business (FAAB) training/refresher for their members;
  - Review the identification, assessment and selection of Financial Institutions (FIs), based on their foothold in the project area and their willingness and ability to target smallholder farmers using the criteria that are listed in the PDR;
  - Support the project in developing a functional approach in engaging with the rural finance providers and connecting them with Village Savings and Credit Groups (VSCGs), making sure the process of selection of the first adopters among VSCG members has been clarified and is well understood;
  - Assist the project in the determination of the right size of the loan from FIs, in line with the cost of the productivity package and with concern for farmer repayment ability;
  - Undertake a review of actions taken on Agreed Actions with the last Supervision Mission (August 2019) with emphasis on effectiveness or lack thereof;
  - Assess and establish any innovations emanating from IAMDP’s implementation along with the potential for learning, replication and scaling-up;
  - Evaluate the potential for sustainability for those interventions within your area of responsibility, and provide advice on actions that may be necessary to improve these;
  - For those interventions within your area of responsibility, evaluate the following: a) coherence (or lack thereof) between IAMDP’s approved 2020-AWPB and implementation; b) the Project’s targeting approach; c) the success (or lack thereof) of the Project’s gender focus; d) the success (or lack thereof) of the Project’s poverty focus; and e) identify innovation and learning;

- Contribute to the write-up of the Aide Mémoire, mission Report and prepare any Technical paper or annex as guided by IFAD reporting guidelines and requested by the mission technical leader and;
- Undertake any other tasks that may be requested by the Mission Leader.

Expected Outputs (please include any travel if applicable):	Required Completion Date:
Will work with the Mission's Technical Leader/Lead writer and contribute to the production of the following Mission outputs:	
- Contribute to the production of the Mission Aide Memoire; this will be required in time for compilation and sharing with the PMU and government;	05/10/2020
- Draft Supervision Report, including the Project Status Ratings (PSRs). This, too, is a time-sensitive output, must be produced and submitted to the Lead Writer not later than 5 days after submitting contribution to the Aide Memoire;	05/10/2020
- A brief technical annex essentially providing guidance to the Project Management team on the effective implementation of activities related to smallholder access to finance.	05/10/2020

**INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES**

<b>Full Name of Consultant:</b>	Mr. Mohamed Abdel-Latif Abouelkhier
<b>Expected Start Date of Assignment:</b>	24/09/2020
<b>Expected End Date of Assignment:</b>	05/10/2020
<b>Total number of working days (max. 240 in a 12-month period):</b>	12 days

**GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVE(S) TO BE ACHIEVED**

**Expected Activities:**

Remotely will:

- (1) Review the IAMDP current Procurement Plan in order to assess it has been fully updated and upgraded, ascertain its completeness, its concurrence with the AWPB, and its consistency with the country systems and/or IFAD Procurement Guidelines and Handbook;
- (2) Provide support, advice and recommendations on the following:
  - a. The thresholds, ceilings and preferences to be applied in the implementation of procurement under the project;
  - b. The contract types and contractual arrangements for goods, works and consulting services required to implement the projects;
  - c. The proposed methods of procurement;
  - d. The related IFAD review procedures and provide suggestions to improve the overall quality of the procurement processes;
- (3) Review a minimum sample of 10% of all procurement contracts for compliance;
- (4) Carry out spot checks on past procurement activities and assess the extent these adhere to Government and/or IFAD Procurement Guidelines and Handbook; in particular, verify that the goods, services and works procured correspond with the approved AWPB and Procurement Plan, in terms of quality and quantities;

- (5) Review the procurement, contracting and implementation processes and timeliness and appropriateness of procurement actions;
- (6) Assess contract administration and management procedures;
- (7) Assess the procurement capacity of all entities to be reviewed in terms of manpower, levels of training of procurement staff, work environments and independence of procurement staff to carry out their statutory assignments;
- (8) Conduct specific analysis of value for money (VFM) at all levels and the reasonableness of prices for:
- a. Goods, equipment, etc using available price indicators;
  - b. Civil Works, compared to locally accepted standards and prices; and
  - c. Services compare quality-output to international standards and prices;
- (9) Determine whether adequate systems are in place for procurement planning, implementation and monitoring, and whether documentation are maintained as per required standards and can be relied upon;
- (10) Verify to the extent possible, whether goods, works and consulting services contracted were supplied/completed according to the required specifications and technical standards;
- (11) Review issues identified in the previous procurement review and aide-mémoire and procurement related issues identified in project audit reports;
- (12) Identify deficiencies and make recommendations for improvements and control mechanisms in the procurement procedures and processes;
- (13) Conduct a review of any significant changes in the borrower/recipient's procurement system and practices, and ensure project procurement procedures and systems are updated accordingly;
- (14) Review/update the Procurement Risk Assessment, using the IFAD Procurement Risk Matrix (Module I of the IFAD Procurement Manual);
- (15) Assess further procurement staff training needs and ensure relevant training is planned and provided to project management and procurement staff in a timely manner;
- (16) Submit an assignment report (as per IFAD format), and any other relevant ancillary documents;
- (17) Carry out any other activity, as required by IFAD including the CD and Mission TL.

**KEY PERFORMANCE INDICATORS**

<b>Expected Outputs (please include any travel if applicable):</b>	<b>Required Completion Date:</b>
Will work with the Mission's Technical Leader/Lead writer and contribute to the production of the following Mission outputs: - Mission Aide Memoire; this will be required in time for compilation and sharing with the PMU and government; - Draft Supervision Report, including the Project Status Ratings (PSRs). This, too, is a time-sensitive output, must be produced and submitted to the Lead Writer not later than 5 days after submitting contribution to the Aide Memoire; - An updated project Procurement Risk Matrix (PRM). - A brief technical annex essentially providing guidance to the Project Management team on the effective undertaking of the Project's procurement function	05/10/2020  05/10/2020 05/10/2020

**INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES**

<b>Full Name of Consultant:</b>	Sondos Tlili
<b>Expected Start Date of Assignment:</b>	Determined by FMD
<b>Expected End Date of Assignment:</b>	Determined by FMD
<b>Total number of working days (max. 240 in a 12-month period):</b>	Determined by FMD

**GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVE(S) TO BE ACHIEVED**

<b>Expected Activities:</b>	Determined by FMD
<b>KEY PERFORMANCE INDICATORS</b>	
<b>Expected Outputs (please include any travel if applicable):</b>	<b>Required Completion Date:</b>

Determined by FMD		
<b>INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES</b>		
<b>Full Name of Consultant:</b>	Emma Federica	
<b>Expected Start Date of Assignment:</b>	24/09/2020	
<b>Expected End Date of Assignment:</b>	05/10/2020	
<b>Total number of working days (max. 240 in a 12-month period):</b>	12 days	
<b>GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVE(S) TO BE ACHIEVED</b>		
<b>Expected Activities:</b>		
<ul style="list-style-type: none"> <li>• Analyse the targeting strategy in relation to the project activities and appraise whether it adequately reaches out to the targeted beneficiaries, especially youth, women in line with the guidance as included in the PDR;</li> <li>• Review the number of beneficiaries reached by the project. Assess whether the outreach is sufficient given the stage of implementation and whether outreach related goals can be achieved within the remaining project period;</li> <li>• Assess the progress of project activities related to youth (such as youth employment, youth access to assets, youth's position in community organizations and the wider community) and gender (voice, economic empowerment and well-being/workload). Assess the strategy that is developed in order to address these issues.</li> <li>• Review the implementation arrangements and implementation resources (human, financial and capacity). Assess whether they are effective and allowing the project to attain youth and gender related goals and objectives;</li> <li>• Review whether gender and age-disaggregated data are included in the log frame and the progress against the targets set at Design;</li> <li>• Document best practices and lessons learned as well as any innovations concerning youth in the project;</li> <li>• In line with the "Guidance for Performance Scores" for Targeting &amp; Outreach and Gender and empowerment, provide a succinct write-up for the Project Supervision Report and Aide-memoire can be included under the dedicated sections.</li> <li>• Contribute to the write-up of the Aide Mémoire, mission Report and prepare any Technical paper or annex as guided by IFAD reporting guidelines and requested by the mission technical leader and;</li> <li>• Undertake any other tasks that may be requested by the Mission Leader.</li> </ul>		
<b>KEY PERFORMANCE INDICATORS</b>		
<b>Expected Outputs (please include any travel if applicable):</b>	<b>Required Completion Date:</b>	
Ms. Emma, will work with the Mission's Technical Leader/Lead writer and contribute to the production of the following Mission outputs:		
- Mission Aide Memoire; to be shared with the PMU and government for the final discussion;	05/10/2020 05/10/2020	
- Draft Supervision Report, including the Project Status Ratings (PSRs). The contribution to the supervision report will need to be provided to the Lead Writer not later than 5 days after submitting contribution to the Aide Memoire;	05/10/2020	
- A brief technical annex essentially providing guidance to the Project Management team on the social inclusion related topics if deemed necessary.		
<b>INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES</b>		
<b>Full Name of Consultant:</b>	Ahmed Subahi	
<b>Expected Start Date of Assignment:</b>	23/09/2020	
<b>Expected End Date of Assignment:</b>	30/09/2020	
<b>Total number of working days (max. 240 in a 12-month period):</b>	7 days in the field	
<b>GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVE(S) TO BE ACHIEVED</b>		
<b>Expected Activities:</b>		
<ul style="list-style-type: none"> <li>• Liaise with the government and the IAMDP team to ensure the smooth implementation of mission program;</li> <li>• Support the mission day-to-day activities and provide support to the mission, where required;</li> <li>• Where the Country Director is not present, participate and represent IFAD at relevant meetings and discussions and oversee the preparation of the Aide Memoire;</li> </ul>		

- Assess the functionality of the project organizational framework and efficiency of linkages and coordination among different stakeholders;
- Undertake a review of actions taken on Agreed Actions with the last Supervision Mission (August 2019) with emphasis on effectiveness or lack thereof;
- Consider the progress made in the field of Gender Equality and women empowerment is made.
- Care for monitoring & evaluation and knowledge management. In line with the IFAD – CCU Country Knowledge Management Strategy, assess the KM activities planned and implemented by IAMDP.
- Address the status of Compliance with loan covenants and up-date appendix 3 'Compliance with legal covenants: status of implementation';
- Contribute to the drafting of lessons learnt.
- Contribute to the write-up of the Aide Mémoire, SM Report whereby, strictly adhering to the IFAD template and when relevant prepare a practical Technical Background Analysis paper(s) as may be requested by the Technical Team Leader.
- Assist the organization of the wrap-up meeting and sign the final Aide Memoire with the Government representative; and
- Coordinate the timely production of the Supervision Mission Report and Management Letter.
- Undertake any other relevant task as agreed with Mission Leader

#### KEY PERFORMANCE INDICATORS

Expected Outputs (please include any travel if applicable):	Required Completion Date:
Will work with the Mission's Technical Leader/Lead writer and contribute to the production of the following Mission outputs:	
- Mission Aide Memoire; this will be required in time for compilation and sharing with the PMU and government;	06/10/2020
- Draft Supervision Report, including the Project Status Ratings (PSRs). This, too, is a time-sensitive output, must be produced and submitted to the Lead Writer not later than 5 days after submitting contribution to the Aide Memoire;	09/10/2020
- A brief technical annex essentially providing guidance to the Project Management team on the effective undertaking of the Project's procurement function	06/10/2020

#### INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES

<b>Full Name of Consultant:</b>	Tarek Ahmed
<b>Expected Start Date of Assignment:</b>	30/09/2020
<b>Expected End Date of Assignment:</b>	07/10/2020
<b>Total number of working days (max. 240 in a 12-month period):</b>	7 days in the field

#### GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVE(S) TO BE ACHIEVED

<p><b>Expected Activities:</b></p> <ul style="list-style-type: none"> <li>• Brief the Supervision team and guide the supervision;</li> <li>• Ensure the smooth organization and fielding of the Mission;</li> <li>• Provide support and guidance to the mission members, mission activities and participate in fieldwork to ensure synergies of the work of the mission team members and provide guidance in light of the mission overall objective.</li> <li>• Provide support in discussing project implementation critical issues with the project staff, beneficiaries and government authorities.</li> <li>• Liaise with the Government and development partners, participate and represent IFAD at relevant meetings and discussions in addition to, oversee the preparation of the Aide Memoire;</li> <li>• Oversee the process of undertaking the wrap-up meeting and sign the final Aide Memoire with the Government representative; and</li> <li>• Coordinate the timely production and finalization of the Supervision Mission Report, Management Letter and lead the PEER Review Meeting of the mission report.</li> </ul>
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#### KEY PERFORMANCE INDICATORS

Expected Outputs (please include any travel if applicable):	Required Completion Date:
Will work with the Mission's Technical Leader/Lead writer and contribute to the production of the following Mission outputs:	
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- A brief technical annex essentially providing guidance to the Project Management team on the effective undertaking of the Project's procurement function	

Please note: add further INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES tables as required.

**DOCUMENTATION**

The following documents will be made available to the Mission to provide the required information for the Mission's work:

- Project Design Report and the associated appendices;
- Financing Agreement;
- The 2020 Annual Work Plan and Budget and the associated Procurement Plan;
- Annual Implementation Progress Report;
- Previous Mission's Supervision Report;
- Reports of all Implementation Support Missions undertaken since the last Supervision Mission; and
- Any M&E reports prepared during the course of the review period.

Clearance by COM if TORs include communication activities (see section 4.7.iii):

**Name:** ..... **Signature:** ..... **Date:** .....

Clearance by ACD if TORs include financial management responsibilities:

**Name:** ..... **Signature:** ..... **Date:** .....

**IMPORTANT NOTE:**

IFAD will accept only reports that have been properly formatted by using the template, which will be provided separately. The team leader is responsible for preparing the main report and annexes in the required format, and ensuring that the working papers submitted by the individual team members are consolidated in one single document and in the correct format. S/He will compile the full report, including her/his own contributions and those of all the mission members into one consistent final and complete report and submit it to IFAD on or before the agreed deadline.

### B. Mission Schedule

Date	Agenda	Time		Venue
		From	To	
Sun 20 <sup>th</sup> Sept	Start of the mission at Khartoum with a meeting at the CCU			CCU
	Meeting with MoANR			MoA
Mon 21 <sup>st</sup> Sept	Meeting with MoFEP			MoF
Tue 22 <sup>nd</sup> Sept	Meeting with MoAR			MoAR
Wed 23 <sup>rd</sup> Sept	Travel to El Obeid			
	Meeting with PCU to finalize mission agenda			PCU
Thu 24 <sup>th</sup> Sept	Meeting with DG of Ministry of Production at NK	09:00 am	09:30 am	MOA NK
	Meeting with PCU to present and overview project implementation and progress (possibility of video conference)	09:45 am	05:30 pm	PCU
Fri 25 <sup>th</sup> Sept	Meeting with NK SIU possibility of video conference)	09:00 am	12:00 pm	PCU
	Meeting with WK SIU possibility of video conference)	07:00 pm	09:00 pm	PCU
Sat 26 <sup>th</sup> Sept	Meeting with ASSCO NK	08:30 am	09:30 am	ASSCO
	Meeting with SK SIU possibility of video conference)	11:00 am	01:00 pm	PCU
	Meeting with SK SIU possibility of video conference)	07:00 pm	09:00 pm	PCU
Sun 27 <sup>th</sup> Sept	Field visit to Banat community at Sheikan locality (NK) - Contract farming - Jubraka - Innovation demo - On-farm demos	08:00 am	03:00 pm	NK
Mon 28 <sup>th</sup> Sept	Field visit to Eltibna community at Elrahad locality (NK) - Contract farming (seed production) - Innovation demo - On-farm demos - Jubraka - Agroforestry - Rural Finance (women investment farm)	08:00 am	05:00 pm	NK
Tue 29 <sup>th</sup> Sept	Travel to Abu Zabad	07:30 am	09:30 am	

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	Field visit to Elbanboon community at Abu Zabad Locality (WK) - On-farm demos - Innovation demo - Agroforestry - VSCGs -	10:00 am	12:00 pm	WK
	Field visit to Elhamarayia community at Abu Zabad Locality (WK) - Community nursery - Agroforestry - On-farm demos - Meeting community members	01:00 pm	03:00 pm	
	Travel to Elfula	03:00 pm	05:00 pm	
Wed 30 <sup>th</sup> Sept	Meeting of DG of Ministry of Production WK	08:00 am	09:00 am	WK
	Travel to Elsunut	09:00 am	10:30 am	
	Field visit to Elareed community at Elsunut Locality (WK) - On-farm demos - Use of Kuriat plow - Agroforestry	10:30 am	01:30 pm	WK
	Travel back to El Obeid	02:00 pm	05:30 pm	
Thu 1 <sup>st</sup> Oct	Travel to Alabbasiya (SK)	07:00 am	10:00 am	SK
	Field visit to Um Elgora community at Allabbassya locality (SK) - On-farm demos - Innovation demo - Jubraka - Agroforestry (Luban gum)	11:30 am	02:30 am	SK
Fri 2 <sup>nd</sup> Oct	Field visit to Elawatfa community at Eltadamon locality (SK) - On-farm demos - Innovation demo - Jubraka - Agroforestry	08:00 am	12:00 pm	SK
Sat 3 <sup>rd</sup> Oct	Travel to Singa	07:00 am	02:00 pm	Singa
Sun 4 <sup>th</sup> Oct	Meeting with Sinnar DG of Ministry of Production Sinnar State	08:30 am	09:30 am	Singa
	Field visit Om-Hantor community at Dindir Locality (Sinnar) - On-Farm demos - Jubraka and Improved Jubraka - Agroforestry activities	11:00 am	01:00 pm	Dinder
	Field visit Al-Remalla community at Dindir Locality (Sinnar) - On-Farm demos	01:30 pm	03:30 pm	Dinder



Republic of Sudan  
 Integrated Agricultural and Marketing Development Project (IAMDP)  
 Supervision Mission Aide Memoire; Mission Dates: 20<sup>th</sup> September – 9<sup>th</sup> October 2020

	<ul style="list-style-type: none"> <li>- Jubraka</li> <li>- Rural Finance</li> <li>- Agroforestry activities</li> <li>- Crossing</li> </ul>			
Mon 5 <sup>th</sup> Oct	Field visit to Jalgani-Mahata community at Abu Hugar Locality (Sinnar) <ul style="list-style-type: none"> <li>- On-Farm demos</li> <li>- Innovation demo</li> <li>- Jubraka</li> <li>- Rural Finance</li> <li>- Agroforestry activities</li> </ul>	07:30 am	10:00 am	Abu Hugar
Tue 6 <sup>th</sup> Oct	Travel to El Obied	11:00 am	05:00 am	El Obied
Wed 7 <sup>th</sup> Oct	(debriefing) , Travel to Khartoum			ElObied
Thu 8 <sup>th</sup> Oct	Wrap-up meeting			Khartoum

### C. People Met

Although the Mission was, primarily, a virtual one, one of the Mission team members was a local consultant and managed to consultant some people as part of his assignment. The list of the people he met is presented hereunder.

No.	Name	Company	Position	Tel.
1	Ibrahim Murkaz Ibrahim	ASSCO- Alobaid Station	Director	+249912948528
2	Alzubir Ibrahim	Nile Sun Company	DG	+249912398547
3	Adil Ali Hamid	Nectar Group	Field staff	+249912485777
4	Yasir Sheikheldin Mohamed	CTC Group	Group External Relations and CSR Manager	+249912301652
5	Sulaima Algadal	CTC Group	Group External Relations and CSR	+249123990064
6	Mubarak Mahmoud Osman	Alzahra for Agricultural Commodities and Trade	Manager	+249912248312
7	Hatim Ibrahim Mirgani	Agricultural Mechanization Directorate- Federal Ministry of Agriculture and Forestry	DG	+249915797539
8	Azhari Abdelgadir	Agricultural Mechanization Directorate- Federal Ministry of Agriculture and Forestry	Manager of new machinery testing department	
9	Alsir Ali Omer	SAGA	Ex-chairman	+249912303175
10	Ali Alginaid	Nour Agro-science Company	Manger	+249123300345
11	Modawi Adam Ibrahim	Lamda Engineering	DG	+249912309750
12	Enaam Iesa Mohamed	Rans for Agricultural Services and Investment	DG	+249912315654
13	Mortada Mahadi Ahmed	Katbase company	Marketing	+249912685773

## **Sudan**

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### **Integrated Agriculture and Marketing Development Project Supervision Report**

#### **Appendix 6: Procurement**

Mission Dates: 20/09/2020 - 09/10/2020  
Document Date: 11/11/2020  
Project No. 2000001517  
Report No. 5539-SD

Near East, North Africa and Europe Division  
Programme Management Department



# Appendix XX Procurement Report – 2<sup>nd</sup> Supervision Mission (20<sup>th</sup> September - 9<sup>th</sup> October, 2020)

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## 1. Introduction

1) A **review** was done to the Procurement Management Procedures and Procurement Progress under IAMDP. The review covered the **(i)** Procurement Planning Process; **(ii)** Processes and Procedures from Prequalification to Bidding; **(iii)** Process and Procedures for Evaluation and Contract Award; **(iv)** Contract Management and Administration; and **(v)** Record Retention.

2) **Procurement Rating.** IAMDP Procurement is rated as **3 Moderately Unsatisfactory**, this mainly due to: a) the delay in initiating the procurement processes for most of the anticipated activities; b) the need to ensure that Procurement processes are in compliance with IFAD prior review requirements; c) for the procurement of agricultural inputs, technical specifications were missing and particular brands were specified; d) incomplete request for quotations documents were issued to the bidders; e) in several cases, the evaluation process was not conducted appropriately; f) unrealistic implementation period for some transactions; and g) weak contract management and administration. Moreover, it was noticed that the project has not utilized IFAD No Objection Tracking system (NOTUS) for the submission of requests for No Objection.

3) **Structure of the Procurement Unit.** The PCU Procurement Unit is located in El Obeid, consisting of one Procurement Officer, who joined the PCU on February, 2020. The Procurement Officer has got extensive experience in public procurement activities; however, his CV does not present any specific experience with donors funded projects.

4) **Procurement processes** continues to follow the same approach, envisioned at Project design where the CCU carries out all large procurement transactions that use ICB, and NCB methods. Other procurement methods are managed at the PCU and SPIUs. The Project is also responsible for preparing, monitoring, and updating procurement plan (PP). During FY 2020, all procurement transactions were completed at the Project level applying shopping method for Goods procurement and selection of individual consultant, two transactions for Goods and Works using NCB method were initiated by the CCU but not completed yet.

## 2. Procurement Planning Process

5) The format of 2020 procurement plan was found inconsistent with IFAD new template, the Mission noted the following areas for improvement:

- a) Several low-value procurement activities can be grouped together under one tender for purposes of economies of scale. The Project has split the several transactions for procurement

of agricultural equipment into smaller shopping transactions. Moreover, several works transactions can be grouped together such as Wadi Crossings.

- b) The recruitment of Individual Consultants is over used while no selection of firms is envisaged in the Procurement Plan (except one case for conducting the project baseline survey).
- c) Activities related to supervision of construction works were mistakenly enrolled in works sheet with incorrect selection method;
- d) In some cases, implementation schedule was unrealistic (i.e the PCU assumed that the bidding documents for works transactions would be ready before or after very short period of signing the contract with the consultants responsible for the design);
- e) The Plan is not being fully respected in terms of packaging. In some cases, the enrolled transaction was split into several activities without proper justification’;
- f) In several cases, large discrepancies between the cost estimate and actual contract value were noticed;
- g) For NCB and ICB methods, short period was offered to the bidders to submit their bids (15 days for NCB and 30 days for ICB)
- h) The plan is currently not used as a monitoring and tracking tool as it is not periodically updated; and
- i) The plan should include a summary page with an AWPB reference column.

6) Prior to the mission, the project prepared a draft procurement plan using IFAD new template but it has not been submitted for IFAD No Objection. However, most of the above-mentioned comments are still valid, so the project is advised to revise the plan to address the mission comments and submit it for IFAD No Objection. The biggest issue, however, is that majority of the items in the PP have not been procured at the time of the mission, out of 62 planned packages estimated at a total value of Eur 2,126,222, only 18 packages were signed for a total value of Eur 265,651.64 constituting around 12.5% of the originally planned amount. As a result, project implementation is negatively impacted and delayed.

### **3. Processes and Procedures from Prequalification to Bidding.**

7) The Mission observed with great concerns that the Project have not made significant progress on enhancing the procurement procedures since the last supervision mission. Despite the recruitment of full-time procurement officer and hiring a national consultant to provide Procurement Technical Assistance to the PCU, the procurement procedures under IAMDP still suffer from several gaps as follows:

8) **Use of Prequalification.** The Project has not initiated a specific prequalification process for any type of procurement (Goods and Works). For the shopping method, the bidding documents were issued for some bidders randomly usually 3 without any justification for the selection of those bidders which shows less transparent process.

9) **Bidding Documents.** During the period of review, the Project completed the procurement process for 18 transactions using shopping method and selection of individual consultants. The Project has developed the Template for RFQs which was found satisfactory. The Project has adopted the National Standard Bidding Documents (SBDs) for the procurement of goods and works (2 transactions have been initiated but not completed), the National SBDs were found satisfactory and meet the minimum requirements. The mission noted the following gaps in the preparation of the bidding documents:

- a) In several cases, incomplete bidding documents were issued to the bidders (only invitation letter was sent to the bidders). Moreover, the invitation letter did not include the deadline to submit the quotations;
- b) For agricultural inputs procurements, technical specifications were missing and particular brands or commercial names were requested;
- c) In one case (procurement of rain gauges), transaction was initiated and completed using Direct Contracting method without obtaining IFAD No Objection;
- d) The selection method for the recruitment of individual consultant was inconsistent with IFAD Procurement Handbook as the selection was made based on CVs comparison only without requesting a simplified technical and financial proposals from the first ranked candidate. Moreover, the shortlist was developed without advertisement and it included consultants with

inadequate competences. Additionally, the TORs did not include clear outputs and the project mixed the specific tasks with the deliverables;

- e) RFQs template lacks information on when the bidders can seek clarifications and the deadline for providing these responses; and
- f) There are no standard IFAD fraud and anti-corruption provisions in the instructions to bidders and the general conditions of contract.

10) **Advertisement.** In the two transactions using NCB method the Project through the CCU managed to comply with advertisement requirements. However, as mentioned above, the project has never advertised for the selection of individual consultants.

11) **Bid Submission.** The Mission observed that the bid submission procedure needs further improvement to make its procedures more transparent. The Mission has therefore, provided the Project additional information needed to improve the procedure as follows:

- a) The invitation letter should clearly specify the deadline for bid submission;
- b) The project should maintain a register for bid submission and bids received from vendors who do not comply with deadline should be registered as late bids; and
- c) The Project should maintain a securely tender box.

#### 4. **Process and Procedures for Evaluation and Contract Award.**

12) **Evaluation Process.** There are evaluation reports for all procurements carried out. Notwithstanding the above, the following irregularities are noted:

- a) Preliminary examination and technical evaluation were not conducted properly as all bidders failed to provide the mandatory documents and technical specifications for the offered commodities but they were qualified for financial evaluation. As presented in the evaluation reports, the project used the price as the only criteria for awarding;
- b) Evaluation reports for consultants' CVs included only score sheets without any narrative part to give more details about the consultants' qualifications and to present the weakness and strength of each candidate;
- c) In one case, the evaluation committee recommended awarding the contract to the second evaluated bidder without proper justification;
- d) in many cases, POs were issued on the same day of the evaluation report without applying any standstill period;
- e) The contracts for individual consultants did not include clear Key Performance Indicators;
- f) In some cases, Informal establishment of the evaluation committee; and
- g) In one case (selection of Farming as a Business "FAAB" National Consultant) the shortlist included three candidates, two of them from University of Kordofan; while the evaluation panel included two members from the same university which may be considered a potential for conflict of interest.

13) **Contract Award.** AS presented above, the contracts were awarded to the lowest offer regardless the compliance with technical requirements or mandatory documents.

#### 5. **Contract Management and Administration**

14) in the procurement cycle the PCU main area of improvement would lie in the contract management function. the following gaps are noted:

- a) In all Goods procurements, acceptance and inspection procedures were not handled properly, only receiving notice was found without specifying any details about the quality and specifications of the received commodities;
- b) In some cases, payments were made before receiving vendors invoices. Moreover, in two cases 100% of the PO value was disbursed in advance;

- c) For all consultants' contracts, payments were made without assessment for the deliverables submitted by the consultants;
- d) The contract documents do not include provisions for IFAD to Audit the contract;
- e) Delivery period was not monitored by the project; and
- f) Extension for consultants' contracts with period double the original contract was made without obtaining IFAD No Objection.

15) The Mission reviewed the Register of Contracts, on a sample basis which was found to be up to date in terms of contracts awarded in the current year and in conformity with IFAD requirements. However, some important data in the Register were missing such as reference to approved AWPB and PP, financing category in accordance with schedule II of the financing agreement. Moreover, in few cases some data was not accurate such as contract value and contract start date. Contract Monitoring Forms (CMFs) were developed for consultants' contracts only and it was mainly used to record the actual payment rather than monitoring the implementation of the contract as the milestones and the expected payments were not enrolled.

## 6. Review of issues identified in the previous review and aide-mémoire.

Agreed action	Resp.	Deadline	Action
1. Provide Procurement Technical Assistance to the PCU for at least 60 days	PCU Coordinator	09/2019	Done with delay. A National Consultant was recruited after the recruitment of the project procurement officer in April 2020.
2. Complete the recruitment process for a Procurement Officer for the PCU.	CCU Senior Coordinator	10/2019	Done with delay. The procurement officer at the PCU has been recruited and in place since 15 Feb 2020.
3. Ensure compliance with requirements of the shopping method of procurement and where conditions dictate otherwise, seek guidance and/or approval from IFAD before proceeding with the process.	PCU Coordinator		No progress

## 7.

## 8. Record Retention

16) Based on the self-assessment checklist on procurement filing prepared by the project and the orderliness of the received documents, the procurement filing system includes all related documents and records for all transactions except some documents related to contract management such as deliverables submitted by the consults and payment documents

17) **The Borrower/Recipient's Procurement Regulatory Framework, System and Practices.** No changes have been to the National Procurement Regulations since the last mission and all assumptions made during the design still valid.

18) **Assessment of Further Procurement Staff Training Needs.** While the IFAD efforts to provided extensive capacity building programmes for the projects staff are acknowledged, capacity deficiencies within PCU and SPIUs still exist. The Procurement Officer has a long experience in handling procurement activities but limited to National practices only. Based on assessment for the performance during the last period since the recruitment of the procurement officer and review for his CV it is obvious that lack of capacity and lack of understanding of key procurement principles as great barriers to conducting sound procurement are the most important issues. The Mission noted that although some key players in the procurement process were generally aware of the existence of IFAD's Procurement Guidelines, none of them appeared to be conversant with the actual contents and specific procedures of the IFAD procurement Guidelines. The result is that most procurements are not carried out in accordance with the IFAD Guidelines which included all procurement steps and actions from the preparation of bidding documents to contract management function.



19) Based on the above, the mission recommends organizing a tailor-made Procurement Training for the Project Procurement staff at the level of the PCU and the SPIUs as well as other technical persons involved in the procurement process covering the areas of compliance with IFAD Procurement Guidelines, preparation of the bidding documents, evaluation process and contract management.

## 9. Key Findings and Conclusions from the PRM Assessment Update

20) As part of the procurement supervision process, a Project's PRM was developed for the first time. The assessment indicated the following risks:

- a) capacity constraints leading to – failure to comply with National Procurement Regulations and IFAD Procurement Guidelines; delays in initiating the procurement process, inadequate Technical Specifications or specifying particular brands; improper evaluation procedure; and weakness in ensuring contract management (supervision)/administration (monitoring) during contract implementation to completion;
- b) award of contracts to firms with no capacity;
- c) lack of use of Procurement plans as a planning and management tool, and
- d) perception of lack of competition – weak private sector with limited competition.

21) **Key mitigation measures to address procurement capacity gaps are the following:**

- a) The **Project Implementation Manual (PIM)** should be revised to include detailed sections on procurement procedures that will cover: (i) use of IFAD guidelines; (ii) procurement tasks and responsibilities; (iii) Procurement Planning process; (iv) the correct thresholds for procurement methods and IFAD prior review; (v) detailed description for the Standard Procedures for the application of each procurement method (from preparation of bidding documents to awarding the contract); (vi) contract management and administration; (vii) Anti- corruption measures; and (viii) documentation and filing system. The PIM is considered a live document, expected to be updated from time to time as agreed, to reflect agreed refinements to Project procedures;
- b) Revise the current Letter to Recipient to modify the thresholds for procurement methods for all categories in accordance with the results of the PRM.
- c) Organize a tailor-made Procurement Training for the Project Procurement staff at the level of the PCU and the SPIUs as well as other technical persons involved in the procurement process covering the areas of compliance with IFAD Procurement Guidelines, preparation of bidding documents, the evaluation process and contract management;
- d) The Recurited National Consultant should play an instrumental role in the project procurement function, his scope of work should be extended to include oversight duties over all IAMDP procurement activities in addition to support the implementation of the planned transactions.
- e) Prepare Procurement Plan for the Project using IFAD new template. Continuous updating of Procurement Plan to reflect actual procurement activities. The Project Principal Coordinator has an essential role in monitoring the implementation of procurement plans on a monthly basis and closely monitor and exercise quality control on all aspects of the procurement process, including evaluation, selection, award, contract signing and implementation to completion.
- f) Close follow up from IFAD Country Office to ensure the following issue: (i) application of procurement best practices; (ii) revision and application of the PIM; and (iii) the timely initiation for anticipated activities.; and
- g) Regular top management monitoring and follow-up of implementation.

22) The Project Institutional Risk after the implementation of the proposed mitigation measures will remain medium but with rating **2.22** instead of **1.75**.

## 10. Procurement Performance Indicator Rating and Justification

No.	Performance Indicator	Rating	Justification for Rating
1	Procurement Planning Process	3	The procurement planning exhibits significant shortcomings such as: excessive use of less competitive methods, the format of the procurement plan was found inconsistent with IFAD new template, delay in initiating the procurement process for most of planned activities.

No.	Performance Indicator	Rating	Justification for Rating
2	Processes and Procedures from Prequalification to Bidding	2	Processes and procedures applied exhibit significant shortcomings such as: selection of short lists of suppliers and consultants were made without justification, incomplete bidding documents were issued to the bidders, technical specifications were inadequate and, in some cases, particular brands were requested and improper selection method for individual consultants.
3	Process and Procedures for Evaluation and Contract Award	2	Processes and procedures applied exhibit serious shortcomings such as: preliminary examination and technical evaluation was not conducted correctly, documentation for bid evaluation needs significant improvements, in one case, the evaluation committee recommended awarding the contract to the second evaluated bidder without proper justification.
4	Contract Management and Administration	2	Processes, procedures and systems for administration, supervision and management of contract exhibit significant lapses and gaps in terms of performance standards, inconsistently applied controls, inefficiency, and transparency such as: in all Goods procurements, acceptance and inspection procedures were not handled properly, in some cases, payments were made before receiving vendors invoices. Moreover, in two cases 100% of the PO value was disbursed in advance, for all consultants' contracts, payments were made without assessment for the deliverables submitted by the consultants, and delivery period was not monitored by the project.
5	Record Retention	5	The project's record retention exhibits minor shortcomings that have no impact on project implementation and performance such as: documents related to contract management and administration aspects are not kept in the procurement files.

## 11. Key Recommendations on Procurement

Actions	Resp.	Deadline	Status
1. Adhere strictly to IFAD guidelines and Handbook with regard to No Objection requirements, preparation of bidding documents, evaluation procedures, selection of individual consultants and contract management aspects.	PCU		
2. All requests for No Objection should be submitted through NOTUS.	PCU	October 2020	
3. Revise the current Letter to Recipient to modify the thresholds for procurement methods for all categories in accordance with the results of the PRM.	IFAD	November 2020	
4. Expedite the implementation of planned activities.	PCU		
5. Upgrade the 2020 procurement plan to reflect the above-mentioned comments and submit it for IFAD No Objection.	PCU	October 2020	
6. Update the register of contracts to address the above-mentioned comments.	PCU	October 2020	
7. Revise the procurement section in the PIM to incorporate more details about the different steps of the procurement process as described in Annex XX.	PCU	December 2020	
8. Organize a tailor-made Procurement Training for the Project Procurement staff at the level of the PCU and the SPIUs as well as other technical persons involved in the procurement process covering the areas of compliance with IFAD Procurement Guidelines, preparation of the bidding documents, evaluation process and contract management.	PCU	December 2020	
9. The Recurited National Consultant should play an instrumental role in the project procurement function,	PCU/National Consultant	October 2020	

his scope of work should be extended to include oversight duties over all IAMDP procurement activities in addition to support the implementation of the planned transactions.			
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## 12. Annex 1: Procurement Post review

23) As part of the supervision mission to IAMDP, the Procurement Consultant conducted a Post review to a sample of contracts signed under the Project. Out of the 18 POs/contracts under the Project signed during the review period, 10 POs/contracts were reviewed. Summary of the findings as follows:

- a) The shopping method of procurement needs further improvement to make its procedures more transparent;
- b) Technical specifications were inadequate or particular brands were requested;
- c) Incomplete RFQs were issued to the bidders;
- d) Improper evaluation process;
- e) In all cases, no acceptance and inspection reports were found;
- f) Ineffective contract management and administration;
- g) The Procurement files are not complete, as it misses some documents related to contract management such as acceptance reports, consultants' deliverables and payment documents;

24) **Contract serial No. 1 Ref. NC/01/20, for the "Farming as a Business (FAAB) National Consultant"** signed with Dr Gaafar Basheir Suliman on 1<sup>st</sup> January, 2020 for a total value of SDG 990,000.00:

- a) The selection method for the transaction was enrolled in the procurement plan as selection of individual consultant. However, the new contract was an extension for existing contract with 180 additional working days against 120 days in the original contract;
- b) IFAD No Objection was not requested for the extension of the consultant contract;
- c) For the original contract, the selection method for the recruitment of the consultant was inconsistent with IFAD Procurement Handbook as the selection was made based on CVs comparison only without requesting a simplified technical and financial proposals from the first ranked candidate.
- d) The shortlist was developed without advertisement and it included consultants with inadequate competences. Additionally, the TORs did not include clear outputs and the project mixed the specific tasks with the deliverables;
- e) The selected candidate submitted his CV one week after the deadline indicated in the invitation email and was accepted for evaluation;
- f) The shortlist included three candidates, two of them from University of Kordofan; while the evaluation panel included two members from the same university which may be considered a potential for conflict of interest;
- g) Evaluation report for consultants' CVs included only score sheets without any narrative part to give more details about the consultants' qualifications and to present the weakness and strength of each candidate;
- h) While the selected consultant (as presented in his CV and confirmed by the project during the discussions) a full-time staff at University of Kordofan; the project did not request an evidence that the consultant has been released of his duties elsewhere to be able to take up the assignment with the project and to confirm that the days contracted where he is expected to render services do not overlap with any other assignments elsewhere;
- i) Original and extended contracts did not include clear Key Performance Indicators;
- j) Payments and extension of contract were made without assessment for the deliverables submitted by the consultants and his performance during the execution of the original contract.

25) **Contract serial No. 12 & 13 Ref. IAMDP/NS/PO/NO:04 and IAMDP/NS/PO/NO:05 for the "Supply Certified seeds for on-farm demos (Korodfan) and (Sinnar)"** signed with Arab Sudanese Seed CO.Ltd on 15<sup>th</sup> & 18<sup>th</sup> May, 2020 for a total value of SDG 5,824,600 and SDG 1,430,000:

- a) The transaction was enrolled in the procurement plan as one package, while the project tendered through two separate transactions. Moreover, the cost estimate is less 50% of the actual cost;
- b) The Request for Quotations (National Shopping) method was used with the application of the

- template that was developed by the project was found sufficient in terms of the ITBs;
- c) Incomplete bidding documents were issued to the bidders (only invitation letter).
  - d) Three bidders were addressed and applied for each transaction without justification for the selection of those bidders as the Project did not perform prequalification process to establish roaster of suppliers;
  - e) The bidders submitted their quotations on the same day of issuing the invitation letter for the first transaction and after one month for the second transaction; while the invitation letters did not include a deadline for submission;
  - f) Preliminary examination and technical evaluation were carried out incorrectly. The PCU accepted all offers regardless the fact that all bidders did not adhere to the ITBs and submit the bid form (as explained above complete RFQs were not issued to the bidders);
  - g) For the second transaction, the evaluation committee recommended awarding the contract to the second evaluated bidder without proper justification;
  - h) No provisions regarding the prohibited practises and IFAD's right to audit;
  - i) For the second transaction, 100% of the contract value was disbursed one month before receiving the seeds;
  - j) Inspection and acceptance report was missing, only receiving notice was found.

**26) Contract serial No. 8 Ref. IAMDP/NS/PO/03/2020 for the “Supply of GPS devices”** signed with Agab Brothers Engineering Company (ABC) on 25<sup>th</sup> March 2020 for a total value of SDG 1,392,300:

- a) The transaction was part of the procurement plan. However, the cost estimate was about 25% of the contract value;
- b) The Request for Quotations (National Shopping) method was used with the application of the template that was developed by the project was found sufficient in terms of the ITBs;
- c) Three bidders were invited and applied but without justification for the selection of those bidders as the Project did not perform prequalification process to establish roaster of suppliers;
- d) Preliminary examination and technical evaluation were carried out incorrectly. The PCU accepted all offers regardless the fact that all bidders did not adhere to the ITBs and submit the bid form and mandatory documents. Moreover, the recommended bidder for awarding submitted a quotation with validity period less than requirement;
- e) No provisions regarding the prohibited practises and IFAD's right to audit;
- f) 100% of the contract value was disbursed one month before receiving the devices;
- g) The vendor did not adhere to the delivery period specified in the POs and delivery was made one and half month after the deadline;
- h) Inspection and acceptance report was missing, only receiving notice was found.

**27) Contract serial No. 3 Ref. IAMDP/IC/01/2020, for the “Business Development International Consultant”** signed with Mr. Donald E. Greenberg on 10<sup>th</sup> January, 2020 for a total value of USD 19,375:

- a) The transaction was part of the approved procurement plan as SSS for individual consultant but with less cost estimate. However, the project obtained IFAD No Objection to the revised cost and the application of SSS method;
- b) While the transaction is subject to IFAD prior review, the project did not request IFAD No Objection to the draft contract as one of the actions that should be reviewed by IFAD;
- c) Payment was processed without assessment for the deliverables submitted by the consultants;
- d) Severe delay in processing the payment for more than 6 months and until now there is no evidence that the money is transferred to the consultant bank account.

**28) Contract serial No. 9 Ref. IAMDP/NS/PO/NO/02/2020, for the “Supply of Rain Gauges”** signed with Sudan Meteorological Authority on 25<sup>th</sup> March, 2020 for a total value of SDG 19,375:

- a) The transaction was enrolled in the approved procurement plan as shopping transaction while the project applied it using direct contracting method without requesting IFAD No Objection;
- b) Technical specifications were not attached to the invitation letter;
- c) The vendor did not adhere to the delivery period specified in the POs and delivery was made one month after the deadline;
- d) Inspection and acceptance report was missing, only receiving notice was found.

29) **Contract serial No. 2 Ref. NC/02/20, for the “KM National Consultant”** signed with Mr Tarig Amin Abu Elbashar on 1<sup>st</sup> January, 2020 for a total value of SDG 990,000.00:

- a) The selection method for the transaction was enrolled in the procurement plan as selection of individual consultant. However, the new contract was an extension for existing contract with 180 additional working days against 120 days in the original contract;
- b) IFAD No Objection was not requested for the extension of the consultant contract;
- c) For the original contract, the selection method for the recruitment of the consultant was inconsistent with IFAD Procurement Handbook as the selection was made based on CVs comparison only without requesting a simplified technical and financial proposals from the first ranked candidate.
- d) The shortlist was developed without advertisement and it included consultants with inadequate competences. Additionally, the TORs did not include clear outputs and the project mixed the specific tasks with the deliverables;
- e) Evaluation report for consultants' CVs included only score sheets without any narrative part to give more details about the consultants' qualifications and to present the weakness and strength of each candidate;
- f) Original and extended contracts did not include clear Key Performance Indicators;
- g) Payments and extension of contract were made without assessment for the deliverables submitted by the consultants and his performance during the execution of the original contract.

30) **Contract serial No. 12 & 13 Ref. IAMDP/NS/PO/NO:04 and IAMDP/NS/PO/NO:05 for the “Supply of Agro-chemicals for On-farm Demos (South Korodfan) and (Sinnar)”** signed with Alestegama for Fert-and Agricultural Services on 21<sup>st</sup> July & 15<sup>th</sup> June, 2020 for a total value of SDG 540,000 and SDG 1,711,060:

- a) The transaction was enrolled in the procurement plan as one package, while the project split it into four separate transactions during the implementation. Moreover, the cost estimate is less 50% of the actual cost;
- b) The Request for Quotations (National Shopping) method was used with the application of the template that was developed by the project was found sufficient in terms of the ITBs;
- c) Incomplete bidding documents were issued to the bidders (only invitation letter).
- d) Three bidders were addressed and applied for each transaction without justification for the selection of those bidders as the Project did not perform prequalification process to establish roaster of suppliers;
- e) Two bidders out did not quote for all items;
- f) The invitation letter included particular brands (commercial name) for the Agro-chemicals instead of specifying generic names or technical specifications;
- g) Preliminary examination and technical evaluation were carried out incorrectly. The PCU accepted all offers regardless the fact that all bidders did not adhere to the ITBs and submit the bid form (as explained above complete RFQs were not issued to the bidders);
- h) The implementation schedule for the first transaction was unrealistic, the time elapsed between requisition approval and receiving the commodities was one day;
- i) The project failed to achieve Best Value for Money, similar item were procured in the two transactions with huge cost variance (the cost of NPK Fertilizer and herbicide increased with 50% and 30% respectively);
- j) For the second transaction, the payment was processed before receiving the vendor invoice;
- k) For the first transaction, requested quantity and receiving notice of NPK Fertilizer was 80 Packs each of them 250 Kg, while the vendor delivery notice included 80 Packs each of them 25 Kg only,
- l) The vendor delivery notice was received prior signing the PO;
- m) No provisions regarding the prohibited practises and IFAD's right to audit;
- n) Inspection and acceptance report was missing, only receiving notice was found.

31) **Contract serial No. 17 Ref. IAMDP/NS/P0/NO:09 for the “Animal-drawn Implements”** signed with Alom Almithalia for Agric.Implements on 23<sup>rd</sup> June 2020 for a total value of SDG 805,000:

- a) The transaction was part of the procurement plan;
- b) The Request for Quotations (National Shopping) method was used with the application of the template that was developed by the project was found sufficient in terms of the ITBs;
- c) Four bidders were invited and applied but without justification for the selection of those bidders

- as the Project did not perform prequalification process to establish roaster of suppliers;
- d) Preliminary examination and technical evaluation were carried out incorrectly. The PCU accepted all offers regardless the fact that all bidders did not adhere to the ITBs and submit the bid form and mandatory documents. Moreover, two bidders did not quote for all items;
  - e) No provisions regarding the prohibited practises and IFAD's right to audit;
  - f) The vendor did not adhere to the delivery period specified in the POs and delivery was made 20 days after the deadline;
  - g) Inspection and acceptance report was missing, only receiving notice was found.

**32) The Post Review Checklist: Procurement Planning & Contract Registers.**

#	Description	Check	Remarks
<b>A</b>	<b>Procurement Planning (for entire PP)</b>		
1	Is the Plan template consistent with IFAD's?	N	The current plan was developed with template different than IFAD New Template
2	Did IFAD provide its No Objection on the current version of the Plan?	Y	
3	Are there planned dates for all procurements?	Y	However, some of the planned dates are unrealistic
4	Are the planned dates consistent with the procurement process and methods?	N	In two cases, bidding period were shorter than the standard procedures (less than 30 days for NCB and 45 days for ICB)
5	Are the procurement methods consistent with the estimated budget for each procurement?	Y	
6	Is the reviewed Procurement Plan an updated one?	N	
7	How many <b>updates</b> of the current Procurement Plan were submitted for the year?	None	
8	How many <b>upgrades</b> of the current Procurement Plan were submitted for the year?	None	However, the project prepared a draft upgraded plan but it has not been submitted for IFAD No Objection
<b>B</b>	<b>Contract Register (for entire Project)</b>		
1	Is there a contract register?	Y	
2	Is the register updated?	Y	