



Investing in rural people

Republic of the Philippines

Supervision Mission - August 2014

Supervision report

Main report and appendices

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Abbreviations and acronyms

APP	Annual Procurement Plan
AT	Agricultural Technician
ATI	Agricultural Training Institute
AWPB	Annual Work Plan and Budget
BAC	Bids and Awards Committee
CAAR	Consolidated Annual Audit Report
BAS	Bureau of Agricultural Statistics
CIS	Communal Irrigation System
COA	Commission on Audit
CS	Certified Seed
CSBS	Certified Seed Buffer Stocking
CY	Calendar Year
DA	Department of Agriculture
DA-RFU	Department of Agriculture - Regional Field Unit
DBM	Department of Budget Management
DPWH	Department of Public Works and Highways
EC	European Commission
EU	European Union
EUR	Euro
FAO	Food and Agriculture Organization
FB	Farmer Beneficiaries
FE	Farmers' Equity
FIO	Farmer Irrigator Organizers
FFS	Farmer Field School
FS	Functionality Survey
FUSA	Firmed Up Service Area
G-BEST	Gender0based Effectiveness Skills Training
IA	Irrigators' Association
IDO	Institutional Development Officer
IFAD	International Fund for Agriculture Development
IMO	Irrigation Management Office
IRPEP	Irrigated Rice Production Enhancement Project
ISF	Irrigation Service Fee
LGU	Local Government Unit
M&E	Monitoring and Evaluation
MIS	Management Information System
MOU	Memorandum of Agreement
MTR	Mid-term Review
NEDA	National Economic and Development Authority
NFA	National Food Authority
NGAS	New Government Accounting System
NIA	National Irrigation Administration
NIS	National irrigation System
NOL	No Objection Letter
NPCU	National Project Coordination Unit (NIA)
NPSC	National Programme Steering Committee

O&M	Operation and Maintenance
PCO	Project Coordination Office
PHP	Philippine Peso
PPMP	Project Procurement Management Plan
RaFPEP	Rapid Food Production Enhancement Programme
RaSSFIP	Rapid Seed Supply Financing Project
RbME	Results-based Monitoring and Evaluation (NEDA)
RCT	Regional Coordination Team
RIMS	Results Impact Management System (IFAD)
RIO	Regional Irrigation Office
RIS	River Irrigation System
SDR	Special Drawing Rights
SIS	Supervision and Implementation Support
SOE	Statement of Expenditure
TEV	Travel Expense Voucher
TOR	Terms of Reference
TOT	Training of Trainers
USD	United States Dollar
WA	Withdrawal Application

A. Introduction¹

1. IFAD and NEDA undertook the 5th supervision and implementation support mission for the Rapid Food Production Enhancement Programme (RaFPEP) from 5 to 18 August 2014, seven months after Typhoon Haiyan (local name Yolanda) hit Regions VI and VIII in November 2013. The objectives of the mission were to (i) assess the progress of programme implementation in relation to its target outputs and outcomes; (ii) identify implementation issues and bottlenecks; and (iii) discuss and agree on a set of actions to resolve identified constraints.

2. The goal of RaFPEP is to increase food production by farmers on clustered irrigated rice production systems on a sustainable basis. The Programme completion date is 31 December 2016 and the loan closing date is 30 June 2017. It consists of two projects: (i) the Rapid Seed Supply Financing Project (RaSSFIP) which ended on 31 December 2011; and (ii) the ongoing Irrigated Rice Production Enhancement Project (IRPEP). IRPEP focuses on rehabilitating the infrastructure of communal irrigation systems (CISs), institutional strengthening of irrigators' associations (IAs) and provision of related support facilities and services in Regions VIII and X and in the province of Antique in Region VI. As RaSSFIP has already closed, this mission mainly concentrated on reviewing IRPEP implementation.

3. RaFPEP financing originally included an IFAD loan of SDR 10.685 million (USD 15.9 million); a co-financing grant of EUR 10.0 million (USD 13.62 million) from the European Union (EU) which closed on 31 December 2012 and government counterpart funds (inclusive of LGU/IA) of USD 12.18 million. Additional funds were provided to RaFPEP from Farmer's Equity on the sale of certified seeds (CS) procured by RASSFIP of PHP 192 million (USD 4.47 million) and LGU/IA counterpart funds of PHP 58 million (USD 1.47 million). The proceeds from the Farmers' Equity and LGU/IA counterpart funds were used to rehabilitate 60 CISs and strengthen 63 IAs in Antique (Region VI).

4. The mission had a kick-off meeting at the DA central office on 05 August 2014 and a wrap meeting at the NIA central office on 18 August 2014 chaired by Renato Manantan. The mission expresses its sincere gratitude for the kind and high level assistance extended by the RaFPEP/IRPEP staff and the people met at the national and field levels.

B. Overall assessment of RaFPEP/IRPEP implementation

5. Overall progress of implementation is satisfactory. This rating is similar to the MTR assessment given in 2013. As of 30 June 2014, IRPEP² accomplished a high ratio of its global physical targets (Component 1: 86.45%, Component 2: 75.39%, Component 3: 109.05%, Component 4: 91.52%) and utilised 71.5% of the IFAD loan and 64.8 % of Government of the Philippines (GPH) funds against a project lapse time of 65%.

6. The mission found that most of the agreed actions of the 2013 MTR and the 2014 IFAD-PH First Quarter Meeting have been implemented, though some of them are still pending. The MTR recommendation to invest the unused RaSSFIP loan funds to further improve the CISs was not carried out by DA as this would require from the GPH side a long process of amending the RaFPEP financing agreement.

7. The likelihood of achieving the Programme development objectives is satisfactory. RaFPEP has maintained this rating for the last three supervision and review missions. IRPEP has demonstrated again that a well-managed distribution of irrigation water of functioning communal irrigation systems by strong IAs coupled with a proper application of the learnings in the palay check, paddy production has increased in the target regions. Although 41 CISs under IRPEP were damaged by Typhoon Haiyan (local name Yolanda) and Typhoon Rammasun (local name Glenda) in Regions VI and VIII, affected IAs were able to bounce back and showed resilience to calamities. The affected farmers were assisted by international humanitarian agencies and currently from the assistance of an IFAD grant called the

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² IRPEP accomplishment refers to original IRPEP targets in Regions VIII and X and the Farmers' Equity targets rehabilitate 60 CISs and strengthen 63 IAs in Antique, Region VI.

Haiyan Agricultural Rehabilitation Programme (HARP) which provides certified seeds and fertilizers to paddy farmers in Regions VI and VIII. The available buffer stocks from Regions VIII and X supplied the Initial requirement of certified seeds under HARP in Region VIII. The rehabilitation of CISs and post-harvest facilities damaged by Haiyan will be funded by the GPH programme called Reconstruction Assistance on Yolanda (RAY).

8. To sustain the initial gains generated by IRPEP, the Project has to (a) capture the lessons learned in project implementation; (b) prepare an exit/sustainability plan for the IAs and the continuous operation and maintenance (O&M) of the CIS; (c) turn-over the responsibilities from the institutional development officers (IDOs)/farmer irrigator organizers (FIOs) to IAs; (d) proactively follow-up the rehabilitation of CIS damaged by Typhoon Haiyan under the RAY programme; and (e) utilise the NIA regular funds to progressively close the gaps in the rehabilitated communal irrigation systems to fully irrigate the firmed up service areas.

	Agreed action	Responsibility	Agreed date
1)	Formulate strategies for the exit plans and start transitional turn-over of responsibilities of IDOs/FIOs to IAs.	NIA Regions VI,VIII,X	By 31 December 2014
2)	Undertake project completion review activities:	PCO	Start July 2015
a)	impact study.		By 4 th Q 2015
b)	project completion report.		By 4 th Q 2015
c)	project completion review mission.		By 1 st Q 2016

C. Outputs and outcomes

9. **Component 1: Strengthening irrigators' associations.** Performance of this component is satisfactory. It has reorganized and activated 100% of the target of 112 IAs from 109 CIS. All IAs have registered with the Securities and Exchange Commission (SEC) with a few registered with the Department of Labour and Employment (DOLE). As of June 2014, there are 14,266 farmer beneficiaries (FBs) that benefitted from the IRPEP interventions out of which 11,977 (83.95%) are IA members. The component's target is to have at least 80% of the FBs to be IA members.

10. All the 112 IAs have completed their respective O&M Manuals and were subjected to a functionality survey (FS) for the year 2013 during the first quarter of 2014 covering four areas of assessment: (a) system operation and maintenance; (b) organization management; (c) financial performance; and (d) organizational discipline. The results showed that 77.68% of the total IAs were rated from Satisfactory to Outstanding which is a little higher than the MTR results of 2012 of 75% and higher than the project target of 60%. Regions X and VI had no IA rated as poor, while Region VIII still had 6 IAs rated as poor out of 27. NIA has revised the FS tool as noted during the MTR. This tool was pre-tested in July 2014 in Regions I and III and will be adopted by NIA nationwide in the next rating period.

11. The average ISF collection efficiency rates of the 22 and 63 IAs of Regions X and VI are 82.58% and 85% respectively which are a little higher than the project target of 80%. However, Region VIII had the lowest ISF collection efficiency rate at only 28% for Northern Samar, 39% for Northern Leyte, and 40% for Western Samar. This was reportedly due to the damages brought about by "Typhoon Yolanda" during the last quarter of 2013 where the farmers have to prioritize expenses for their basic needs rather than paying for the ISF where their crops sustained damages as well.

12. Following the completion of all the CIS rehabilitation and restoration works, the focus of capability building activities for the 112 IAs is now on proper O&M of the completed facilities and improving IAs' capacity in managing their organizations and CIS. The training covered Basic Leadership Development Course (BLDC), Financial Management Seminar (FMS), Systems Management Training (SMT), Training on Water Saving Technology, Value Formation Seminar (VFS), Training on Gender Sensitivity (G-BEST), and Program Monitoring and Evaluation. Capability building also included the conduct of regular meetings by IAs to resolve issues and concerns related to O&M activities. As of June 2014, more than half (53%) of the target batches of trainings for the IAs had been accomplished with the remaining targets to be completed until 2015.

13. Outcomes from IRPEP capacity building interventions as shown in the six IAs visited by the

mission included, among others: (a) increased number of women in IA membership and leadership and their active participation in O&M activities; (b) increased level of awareness through the conduct of regular meetings and updating of by-laws and policies; (d) improved IA functionality ratings; and (d) improved ISF collection efficiency rates.

14. While all outcome indicators in IA strengthening have improved right after the completion of their respective irrigation facilities, some have experienced set-backs caused by “Typhoon Yolanda” and aggravated by “Typhoon Glenda” in Regions VI and VIII. The four IAs that were visited in these regions used collective efforts (“bayanihan”) in restoring the damaged facilities to save their crops. However, government assistance would still be needed as these works were on a temporary basis and repairs requiring substantial funding could not possibly be done by themselves given their current status.

15. The common practice of “fixing” the ISF rate of 2.5 cavans per hectare per cropping has proven to be insufficient for IAs to maintain the irrigation facilities to an operational level since part of it (usually 50%) is intended to be remitted to NIA in payment of their previous amortization obligations. Contributing factors to progressive and sustainable IAs in Region XI visited in Region VI showed that aside from the strict imposition of policies and by-laws, ISF rates are based on calculated budget for proper O&M. Given this, Region VI intends to pilot test the gradual increase of ISF of better performing IAs to cope with the actual requirement to finance regular maintenance and ensure that facilities are operational at all times to improve climate change and disaster resilience. This could also be pursued by the rest of the IRPEP assisted CIS in Regions VIII and X. While this may take a while to be realized, it is worth trying to slowly inculcate the awareness to farmers that a little sacrifice through sharing part of their harvest will eventually result in a sustainable operating system for better harvest and increased income.

16. For the sustenance of IA operations, the following should be considered:

- Continue assisting the IAs on a periodic basis through the radiation efforts by the regular NIA IDOs or those engaged in on-going projects after the IRPEP IDOs’ and FIOs’ engagements are terminated;
- Pursue the accreditation of the IAs to Local Development Councils (LDC) particularly the Municipal Development Councils (MDC) as planned by Regions VI and VIII; and
- Pursue the federation of IAs at the provincial and regional level as planned by Region X, establishment of an IA Coordinating Council (IACC) at the municipal level as planned by Region VI, or creation of a System Management Committee (SMC) in the CIS as planned by Region VIII.

	Agreed action	Responsibility	Agreed date
3)	Pursue accreditation of IAs to Local Development Councils for better linkage on future assistance.	NIA Regions VI, VIII, X	Starting last Q of 2014
4)	Pursue the establishment of higher level IA. Committees/Councils to serve as overall coordinating body of individual IAs.	NIA Regions VI, VIII, X	Starting last Q of 2014
5)	Adopt the revised IA functionality survey tool by the next rating period.	NIA Regions VI, VIII, X	By 1st Q of 2015
6)	Pilot test the possibility of encouraging better performing IAs to gradually increase the ISF rate to cope with required funding support for regular maintenance works.	NIA Regions VI, VIII, X	Within 2015
7)	Continue assisting IAs on periodic basis through the regular IDO radiation program of NIA.	NIA Region VI, VIII, X	After IRPEP completion

17. **Component 2: Provision of production inputs and related support services** is implemented in Regions VI and VIII. Overall performance of this component is satisfactory.

18. Performance of the **seed buffer stocking** is satisfactory. This sub-component was able to respond effectively to farmers affected by natural disasters. Certified paddy seeds stocked in Regions VIII and X were provided to farmers hit by Typhoon Haiyan in Region VIII and to farmers in Region XI that were battered by Typhoon Bhopa. Region VIII distributed a total of 12,637 bags of certified paddy seeds from its buffer stock through HARP, while Region X transferred 1,544 bags to Tacloban in Region VIII and 1,000 bags in Region XI.

19. DA-RFOs continued the procurement of certified seeds in the first semester of 2014 using government funds. In Region VIII, from a target of 16,426 bags, they procured 3,568 bags of certified seeds (22% accomplishment) and distributed almost 100% of these seeds. This low rate of accomplishment is caused by the unavailability of certified seeds in the region. Seed growers in Region VIII are still recovering from the effects of Typhoon Haiyan. Region X was able to procure 6,202 bags, a 100% accomplishment from its target. Of the 6,202 bags procured by Region X, 918 bags were delivered in June 2014 while the balance of 5,284 bags will be delivered in October 2014. While some of the issues raised during the MTR mission were addressed by the DA-RFOs, seed growers complained on the delayed processing of payments. Seed growers in Region VIII, informed the mission that, on the average, payments would take seven weeks from delivery. Another issue is related to the late delivery of procured seeds in Region X. The Lanao Del Norte Seed Producer Multi-Purpose Cooperative (LASEMCO) delivered only 918 bags out of the required 3,202 bags by June 2014. Accordingly, there was more demand of certified seeds locally than LASEMCO could supply.

20. **Training and extension services** are rated satisfactory. There were two types of interventions in this sub-component: (1) Training of Trainers (ToT) on palay check; and (2) Farmer Field School (FFS). The palay check training included the following topics: variety and seed selection, land preparation, crop establishment-synchronous planting, crop establishment-sufficient number of healthy seedlings, nutrient establishment, water management, pest management, and harvest management.

21. There were six batches of ToT conducted in Regions VIII and X with a total of 169 participants (94% accomplishment). ToT participants were composed of IA officers/members (41%) and LGU, ATI and NIA technicians (59%). Graduates of the ToT facilitated the farmer field schools (FFSs). There were 4,279 farmer graduates (93% are IA members) of the FFSs, 86% accomplishment from a target of 5,000 farmers. The 3,981 IA members that graduated from FFSs constituted 33% of the current IA membership. Farmers informed the mission that some IA members did not join FFSs because they had already participated in previous FSSs or found the training too long. The last statement is corroborated by the waning participation of farmers in the three FSS phases: (a) phase I: 4,279 farmers; (b) phase II: 2,307 or 54% from phase I; and (c) phase III: 1,717 or 40% of phase I. The mission reiterated the MTR recommendation that FFSs be implemented in one phase only and for ATI to consider a staggered training delivery system to accommodate a wider farmers' participation.

22. Outcomes of the FFSs were very encouraging. Farmers that applied their learning reported increase in their yield. The monitoring report of Region X showed an increase of 14.07% yield for batch 1 FFS participants, 19.78% for batch 2 and 13.03% for batch 3. Region VIII reported incremental increase in production yield in the three phases of FFS implementation: from a baseline of 2.18 MT average yields per hectare, yield increased to 3.23 MT in phase I, 3.63 MT in phase II, 3.78 MT in phase III.

	Agreed action	Responsibility	Agreed date
8)	Review the documentation requirements and processes of payments to seed growers and effect more speedy payments once certified seeds are delivered.	DA-RFO Regions VIII and X	By 31 August 2014
9)	Assess the FFS modules (differentiating the impacts of the different phases) in view of the farmers' attendance and feedback.	ATI	By 31 December 2014
10)	Maintain the required number of CS bags for buffer stocking in each region for timely disposal when needed.	DA RFO Regions VIII and X	Ongoing

23. **Component 3: Rural infrastructure improvement.** Overall performance of this component is satisfactory. All 27 and 22 communal irrigation systems (CIS) targeted under IRPEP in Regions VIII and X respectively as well as the 60 CISs under the Farmers' Equity (FE) fund in Region VI have been completed and irrigated. About 5,126 hectares were rehabilitated and restored under IRPEP in Regions VIII and X against a target of 4,664³ hectares, an accomplishment rating of 109.91% %. Under the FE fund in Antique, Region VI, 4,221 hectares were rehabilitated and restored including the new generated area of 350 hectares over a target of 3,871 hectares, an accomplishment rating of 109.04%.

³ This is the amended target based on the loan amendment letter dated 13 February 2012

24. Targets for **small scale warehouse and solar dryer** were not fully accomplished. Out of the 14 sets of small scale warehouse and solar dryer that were targeted in Region VIII, 11 were completely finished and 1 still awaits the LGU counterpart to complete the solar dryer component with the small warehouse recently completed with remaining finishing works. It was noted during the MTR that the budget for the other 2 targets were re-allocated to CIS rehabilitation due to unavailability of LGU counterpart.

25. The 49 CISs in Regions VIII and X were already turned-over to the respective IAs with only 55 of the 60 CISs in Antique, Region VI turned-over to IAs. From the remaining 5, 3 CISs are scheduled for turn-over soon with the availability of the Provincial Governor. The IAs of the other 2 CISs are requesting for the repair of the damages caused by "Typhoon Yolanda" prior to their turn-over, hence, NIA needs to secure funding for the repair either from DA-RAY or any available source.

26. The combined rehabilitated, restored and generated new area for IRPEP and FE funds is 9,347 hectares of the total target of 8,535 hectares, an accomplishment rate of 109.51%.

27. It was observed that there were changes in the final figures of targets, accomplishments, and Firmed-Up Service Area (FUSA) of the CISs under IRPEP in Region VIII. It was reported that these were due to replacements of the original list of CISs during the early stage of implementation. The target area increased since the replacement CISs had bigger areas for rehabilitation and restoration which correspondingly increased the accomplishment figures. On the other hand, there was a slight decrease in the overall FUSA since these replacement CIS had a smaller firmed-up area compared to the original list of sub-projects. Details on these changes will be incorporated by Region VIII in the preparation of the Project Completion Report (PCR).

28. As noted during the MTR, there are still several schemes whose FUSA could not be fully irrigated due to the limited funding available under IRPEP where some irrigation canals and structures could not be included consequently limiting the delivery of irrigation water supply especially to those areas at the tail end. While this concern could no longer be fully addressed, some of the gaps were then proposed by the MTR mission to be restored from the remaining IFAD funds. However, the utilization of the fund did not materialize, hence the need for NIA to progressively address these concerns through the agency's regular program.

29. The FUSA for the 60 CIS of Antique, Region VI was reportedly fully irrigated after the works were completed using the FE funds, although some improvements on the remaining irrigation facilities are still needed for efficient operation. Improvements of these CIS are programmed by NIA for inclusion under the remaining works together with the provision of IA offices in selected CISs using the "savings" generated from the difference of the contract amount and the allocated Approved Budget for the Contract (ABC) as a result of the bidding process for the 60 CISs.

30. NIA has started preparing an executive summary report for each completed scheme as agreed during the conduct of the MTR mission. These were intended to support the completion of each CIS' rehabilitation and restoration works. Since these were not fully completed yet, the preparation should continue as these will serve as attachments to the final Project Completion Report (PCR).

31. Observed damages brought about by Typhoon Haiyan and aggravated by Typhoon Rammasun were:

- a) In Region VIII, roofing of the 2 IA small warehouses were damaged and blown away.
- b) In Region VI, the damages caused by "Yolanda" to the intake structures in the 2 CIS were aggravated by the recent typhoon "Glenda" in July 2014. Damages to the intake structures of Bugo and Zaragosa CIS in Antique, may require appropriate protection works. As recommended by the Antique IMO, there is a need for a thorough investigation of the site and for NIA engineers to prepare an appropriate design in stabilizing the dam site and address the scouring and siltation issues. These works could then be done progressively through NIA's regular program.
- c) The 26 CIS in Region VI and 15 CIS and 4 small warehouses damages ranged from silted intakes, canals, and closed conduits, scoured riverbanks and structures, and missing roofs of small warehouses

32. Repairs of the irrigation and other facilities in Regions VI and VIII will be covered under the DA-RAY program.

33. The 2 CISs in Region X were spared from these typhoons although heavy rains also affected some facilities of Inasagan CIS. Inasagan CIS in Lanao Del Norte is currently not operational due to issues at the dam site where a spring water source becomes submerged at the upstream of the dam, and erosion of a paddy farm at the downstream. These issues need to be resolved to allow the operation of the diversion dam. Remedial measures were discussed in the field and details of the issues and recommendations on this are discussed in Annex 1 of the Rural Infrastructure Improvement component.

34. The TOBALAFIA of Bulod CIS in Lanao Del Norte is still confronted with the issue on irrigation water distribution with the adjoining Limuag CIS. While there is a need to extend the dividing wall at the downstream end of the main canal, there are still areas to be generated considering that the potential irrigable area of the whole CIS is almost 1,000 hectares. NIA Region X is planning to undertake full Feasibility Study (FS) in 2015 which will be used for sourcing funds for its implementation.

	Agreed action	Responsibility	Agreed date
11)	Prepare supporting documents for changes in FUSA, Targets and Accomplishments.	NIA Region VIII	31-Aug 2014
12)	Progressively close the gaps between FUSA and Irrigated area for IRPEP assisted CIS through NIA regular program.	NIA CO and Regions VIII and X	Continuing
13)	Continue preparing and complete the CIS executive summary report for attachment to the PCR.	NIA Regions VIII, and X	31-Aug 2014
14)	Pursue the site investigation and prepare the plans for protective works on the intakes of the 2 CISs in Antique.	NIA Region VI	Within last Q of 2014
15)	Undertake remedial measures to restore the operation of Inasagan CIS.	NIA Region X	September 2014
16)	Pursue NIA's plan to undertake FS for Bulod CIS.	NIA Region X	Within 2015

35. **Component 4: Provision of Marketing and Post-Harvest support Services.** The overall performance of this component is rated as moderately satisfactory. There were 16 farmers' kiosks (FK), 100% accomplishment of the target, intended to provide updated market information on-line. Eight warehouses (100% of target) were repaired and repainted with four each in Regions VIII and X to increase paddy purchasing from IAs. Five mechanical dryers (83.33% of target) were retrofitted with biomass furnace to facilitate low cost postharvest drying. The mechanical dryer in Catubig, Northern Samar was not yet operational due to lack of spare parts and transformer. Completion of the works was already followed up by NFA Region VIII with the contractor-supplier.

36. Training on the use of FKs, postharvest facilities, and collective marketing system were conducted to about 2,179 farmer beneficiaries representing 59.85% of 3,641 targeted participants. A total of 27 IAs have been accredited with the NFA's Institutionalized Procurement Program (IPP) with corresponding marketing contracts. An additional 44 non-IRPEP registered farmers' organizations also joined the accreditation in Region VIII.

37. There are still no users of the FKs in Region X and only 10 IAs made use of the facilities in Region VIII. The farmers preferred to make use of the re-activated TXT NFA instead. This was mainly due to the availability of mobile phone signals in the area and the proximity of FKs in NFA warehouses which are usually far from the farmers' residences. However, the NFA staff currently used the systems to obtain market information and as an IT facility. Two computer sets in the FKs in Ormoc and Tacloban were damaged by Typhoon "Yolanda".

38. Out of the 8 warehouses that were repaired and repainted, one in Alang-alang, Northern Leyte was totally damaged by "Typhoon Yolanda". The computer set in the FK was looted during the peak of the storm. This was already included in the DA-RAY plan. To date, about 7,099 bags of palay were delivered to the NFA warehouses in the two regions availing of the retrofitted dryers and storage facilities at low cost through the NFA's Farmers' Option to Buy Back (FOBB) program where farmers are allowed to buy back their palay at NFA price, process them and sold to market outlets. Farmers sell their palay to local traders due to higher prevailing market farm gate price.

39. Given this, the MTR mission recommendation on improving the capacity of IAs to analyse market information, to bargain and to be a strategic and competitive supplier in the market still stands. As mentioned further in the MTR, with NFA facilities' proximity in certain areas, collective marketing could still become an effective tool to improve the prices received by the farmers.

	Agreed action	Responsibility	Agreed date
17)	Facilitate installation of transformer and supply of lacking spare parts for Catubig Mechanical Dryer.	NFA Region VIII	31 August 2014
18)	Continue improving the capacity of IAs to analyse market information, to bargain and to be a strategic and competitive supplier in the market.	NFA Region VIII, X	continuing

D. Programme implementation progress

40. **Quality of Project Management** is moderately satisfactory. The Project Steering Committee (PSC) was functional. It met twice after the MTR, once in October 2013 to review and approve the 2014 annual work plan and budget (AWPB) and procurement plan (PP) and another in February 2014 to approve the revised 2014 AWPB, approve the proposal of utilising the savings generated from the rehabilitation of CIS in Region VI and on the use of the unspent RaSFFiP loan. The PCO and NIA-NPCU experienced changes in staffing as three senior PCO staff and two senior NIA-NPCU staff left the Programme. PCO hired new staff while NIA-NPCU did not add any staff. This did not affect the operation of IRPEP as implementation was done at the regional and provincial levels. With a decentralized approach in implementation coupled with adequate technical capacity at the regions, implementation of project activities proceeded as planned.

41. The RCTs/RIOs did not function as intended. Guided by regional targets, each implementing partner was on their own in implementing their activities. The PCO acted as the overseer and coordinator of project implementation. It was only in July that RCTs/RIOs in Regions VIII and X met to discuss compliance with the MTR agreed actions. While project activities proceeded as plan, the absence of RCT/RIO meetings reduced the opportunity for learning to influence policy-making and strategic convergence. This was manifested during the regional kick-off meetings where different agency presentations were not correlated to show how each intervention contributed to the increasing paddy yield and drawing up lessons of the IRPEP experience that could be mainstreamed in the agency's regular programmes. Further, results of the policy dialogues initiated by NFA have not been pursued to contribute to the overall policy and operations of the agriculture sector.

42. **Performance of M&E system** is moderately satisfactory. There is a completed M&E manual with data capture and reporting forms; however, some reports did not follow the standardized format which made it difficult to consolidate data/information at the project level. Managers made some use of regular M&E data for planning and/or decision-making. During the annual preparation of the AWPB, project accomplishments were assessed against the targets to identify gaps and decided how to program the succeeding quarters to address them.

43. M&E functions were carried out at three levels: (a) by the IMO at the provincial; (b) by the RIO at the regional level; and (c) by the PCO at the national level. Most M&E functions are fully staffed, but these functions were carried out on top of other responsibilities inherent to the person's position in the unit. In this set-up, delays in reporting were experienced.

44. Due to the complex project M&E structure, inefficiencies were observed. The project lacked a central management information system or database that would have facilitated M&E data gathering, input and reporting. Data provided during supervision was less than adequate. Omissions and errors in the reports were noted. The PCO has yet to report project progress as of 30 June 2014 against the RIMS indicators. PCO has to designate a full time M&E officer to replace the previous M&E officer that left the Project in January 2014.

45. There were two failed attempts in establishing Management Information System (MIS). With the project nearing completion, the PCO decided to abandon the original design and developed instead a Microsoft Excel-based system which would consolidate all data submissions in accordance with the information requirements and report forms specified in the M&E Manual.

46. **Coherence between AWPB and implementation** is moderately satisfactory. There were some problems in meeting the targets until 30 June 2014; specifically on the conduct of trainings under IA strengthening, procurement of CS for buffer stocking, and training on post-harvest facilities, collective marketing and farmer kiosks.

47. **Gender focus** in implementation is highly satisfactory. IRPEP has significantly influenced the increase of female membership in IAs by almost 100% percent, from a baseline of 1,744 female members (17% of total membership) to 3,484 female members (29% of total membership) by end of 2013. In terms of leadership in IAs, women in leadership position has reached 366 from a baseline of 163, 125% increase. Women now occupy 32% of the leadership in IAs. Generally, IAs are regarded as a “man’s world”, but the situation has changed with women elected as IA presidents or board officers. During IRPEP women IA presidents were elected just like the case in Burabod-Astorga IA in Leyte of Region VIII, San Roque Panadtalan IA in Bukidnon of Region X, and Mapatag IA in Antique of Region VI. It was also observed that women are increasingly participating in the construction phase of the CISs rehabilitation which was usually the domain of men. In the FFSs, women constituted almost half of the total 4,300 participants, indicating that women a significant role in paddy farming. It is agreed that an assessment of the major gender issues should be undertaken as part of the PCR process.

48. **Poverty focus** in implementation remains satisfactory as rated during the MTR. The project supports priority provinces identified under the Rice Self-Sufficiency Plan (2009-2013). Moreover, half of the provinces covered under the project fall in one or two of the three categories developed under the Updated Philippine Development Plan 2011-2016 to determine priority provinces with respect to poverty reduction efforts, where the poor faces constraints which operate in a “*highly diverse, fragmented and hazard prone environment*”.

49. **Effectiveness of targeting approach** is satisfactory. As per design, beneficiary farmers may be included in the project if they have low production (yield below 3.8 tons/ha) and have at least one hectare of paddy farm. In Region VI, average farm size was 0.84 ha while in Region X it was 1.39 has; however, in actual implementation the targeting approach was inclusive to contain all farmers in the targeted CIS with paddy production below 3.8 tons/ha.

Target Group “category”	Total number of people to be reached by the end of project implementation (Appraisal Targets)	Number of people reached so far (cumulative)	
		Total number	Of which, women
Farmer beneficiaries	Actual	14,266	3,834
IA members	80% of farmer beneficiaries	11,977	3,484
FFS participants	5,000	4,300	2,132

50. **Innovation and Learning** is satisfactory. IRPEP focused its support on community irrigation systems, which stands to benefit more farmers on a per unit area basis compared to national irrigation systems. The project was innovative because it provided a comprehensive, holistic and farmer-focused approach to increasing rice production. Aside from the rehabilitation and restoration of existing CIS, the project also entailed the provision of production inputs and facilities and services on organizational strengthening, palay production, post-harvest and marketing. Some specific and interesting innovations noted during supervision are presented in Appendix 7. Appropriate feedback and learning systems were put in place. The implementation arrangement allows linkages from the IA level at the bottom, to the NPSC at the top level. The feedback and learning system is functional, but it has also its shortcomings. It is noted that documentation of learning was not systematic, and was pursued like an ad-hoc activity. Certain sections of the Programme’s official website (www.rafpep.da.gov.ph) created in 2010 are no longer functional, including the portal for viewing the geo-tagged locations of various CIS covered by the project; thus, the PCO was forced to develop a new website following the advice of the DA-ITCAF. Aside from the official website, the PCO also tapped the IFADAsia portal (www.asia.ifad.org) to share Programme articles, blogs, event notices, resources, and images. A recent effort in documenting good practices and creating human interest stories was initiated on 17-18 June 2014, wherein IDOs, FIOs, and officers and members from Bugasong and Hamtic IAs were asked to describe their experience and learnings from the project. IRPEP is also contributing a case on the “Development of Farmer-Irrigator Organizers (FIOs) into

Community and Irrigation Development Personnel” for the Scaling Up Experience of the IFAD-PH Country Programme.

51. **Climate and environment focus** is moderately satisfactory. Majority of the civil works undertaken under IRPEP were only rehabilitation of damaged canal system through concrete lining and rehabilitation of irrigation conveyance structures with some repairs and strengthening works in few existing diversion dams hence have no adverse impact to the environment. Occurrence of strong typhoons causing flood in some IRPEP irrigation water sources however affected some diversion head works especially those of the intake type. These types of structures are normally prone to either scouring or silting during the occurrence of flood hence requires additional protective works. This needs to be addressed by NIA through progressive strengthening of these structures for further protection against future floods. It is encouraging to see that Region VI started pilot testing the gradual increase of ISF to cope with the actual requirement to finance regular maintenance to improve climate change and disaster resilience.

Agreed action	Responsibility	Agreed date
19) Report on the (financially correlated) overall weighted physical accomplishment and correct computations in the quarterly progress report with guidance from NEDA.	PCO	October 2014
20) Report project progress as of 30 June 2014 against the RIMS indicators as part of Appendix 4 of the 2014 SIS Mission Report.	PCO	September 2014
21) Replace the official website of RaFPEP. Enhance it to allow sharing of lessons learned.	PCO	December 2014
22) Involve all implementing partners (DA, DA-RFOs, NIA, ATI, NFA, LGUs and IAs) in assessing the overall performance of IRPEP drawing lessons from the experience for better delivery of agricultural services to small holder farmers.	PCO	By 2015
23) Utilise the results of the policy dialogues, e.g. policy briefs for use by agency management and policy makers.	PCO, NFA, NIA	By 2015
24) Include an assessment of the major gender issues in the RaFPEP impact survey as part of the PCR process.	PCO, NIA	By the end of 2015

E. Fiduciary aspects

52. **Financial management** is moderately satisfactory. Financial transactions were documented and recorded in accordance with the rules and regulations of the New Government Accounting System (NGAS) consistent with IFAD financial policies. Review of procurement process and documentation disclosed appropriate endorsement of Bids and Award Committee (BAC), certifications and approval.

53. Disbursements were supported with sufficient documents as defined in a checklist of documents required as attachment in every disbursement voucher particularly for the CIS sub-projects (such as Contractor’s Request for Payment, Abstract of Bids, BAC resolution, Notice of Award, Notice to proceed, Bank guaranty or surety bond for performance, Certificate of Completion and Inspection). All supporting documents of disbursement vouchers were stamped paid. SOEs were submitted monthly to the NIA HQ. Fixed asset register is yet to be maintained in Region VIII and updated in Region X and Irrigation Management Office (IMO) Antique.

54. As noted in the MTR mission report, there was a directive from NIA HQ to appoint at least 3 internal auditors in the regional and IMO. Only Region VI provided a letter of appointment for the three auditors in the regional office. The mission advised NIA Regional Offices and IMOs to adhere to the NIA HQ directives to have in place internal auditors in the regional offices and IMOs.

55. Annual Financial Statements were submitted to and received by IFAD in May 2014. The audit report 2013 which was due on 30 June 2014 has not been submitted.

56. The mission reviewed the disbursement vouchers and procurement documents in the Regions VI, VIII and X, and IMOs and found the following:

- a) In Region VIII, Leyte IMO, disbursement vouchers (DV) for the period May to December 2013 had no summary of audit examination. The mission advised Region VIII Finance to coordinate with COA and have these documents completed.

- b) In Region VI, there was an anticipated savings of about Peso18 million (USD 409,000) on CIS sub-projects considering the funds available from the National Government (NIA) and LGU as against the estimated expenditure and obligations. There are ongoing discussions between NIA and the LGUs for the use of savings for construction of IA training centers.
- c) The DV and procurement documents in both NIA Region VI and Antique IMO were in order with sufficient certifications and approvals.
- d) The mission noted that expenditures in Region VI and Antique IMO still included disbursement for office supplies and equipment against the CIS sub-project funds in line with the Program of Works. As agreed in the MTR mission, NIA has to provide IFAD pertinent government guidelines for the use of CIS funds for this kind of disbursement.

57. SOEs in Region VIII did not include disbursements against IA equity in the form of services and materials. The Finance Division accounted these disbursements and would prepare one SOE covering to date disbursements on IA equity. NIA SOEs were likewise signed by COA, though some were not signed yet. The mission advised to complete these documents and have them on file.

58. **Disbursement** is satisfactory. Total IFAD disbursement for RaFPEP is SDR 10.062 million (USD 15.765 million) which is 94.17% of the total IFAD loan of SDR 10.65 million. As of 31 July 2014, actual expenditures were USD 14.49 million with a fund balance of USD 1.28 million from the disbursed funds.

59. For IRPEP, total approved allocation is USD 21.92 million. Expenditure as of 31 July 2014 amounted to USD 16.2 million or 73.9% of the approved allocation: IFAD loan USD 0.97 million (71.5%) of USD1.35 million, EU grant USD 1.73 million (64.9%) of USD 2.67 million and government counterpart funds (including LGU and IA) USD13.5 million (75.4%) of USD 17.90 million. Since EU grant has been closed, there is USD 0.38 million fund balances from IFAD loan allocated for IRPEP from the total fund balance of USD 1.28 million of IFAD disbursed funds.

60. **Counterpart funding** is satisfactory. Total expenditure of the government including LGU and IA was USD13.72 million or 75.6 % of the USD18.1 million allocated funds (an increase of USD5.94 million from the original design counterpart contribution of USD12.18 million). The increase came from farmers' equity under RaSSFIP and LGU/IA counterpart contributions for the Antique CIS sub-projects.

61. The mission noted that the SARO issued by the DBM for Peso 79 million in Region X was for the Top Up Financing only and nothing for IRPEP thus, shortage of funds with regards to the IA Strengthening budget of IRPEP. DA/NIA will advise DBM to correct this accordingly and funds to be provided to IRPEP. The mission noted also that the NIA disbursed funds for the Top Up Financing were tagged as IRPEP disbursements. Since the Financing Agreement for the Top Up Financing is not signed yet, the mission advised NIA to charge the expenditure to the Top Up Financing budget funds as provided by the government without the need of tagging to IRPEP.

62. **Government request for partial loan cancellation.** On 31st July 2014, DA sent a letter to IFAD, requesting a partial cancellation of the IFAD loan in the amount of around USD 1.08 million (unused funds from RaSSFIP allocation). The mission recommended that the Project will come up with a budget for the remaining IRPEP and RaFPEP related activities, including winding up activities (e.g. project completion report preparation, impact study, project completion review mission). Any unused IFAD funds will be cancelled upon loan closing.

63. **Compliance with loan and grant covenants** is satisfactory. Almost all provisions of the Financing Agreement are complied with. The audit report 2013 due on 30 June 2014 has yet to be submitted to IFAD.

64. **Procurement** is rated moderately satisfactory. As reported in the MTR all procurements for CIS in Region VIII were done through competitive public bidding process while in Region X Lanao, one was procured through force account, in Bukidnon all CIS procurements were through force account and in Antique of Region VI, one of the CIS sub-projects procurement and disbursements were through force account. NIA agreed to provide IFAD with government guidelines pertinent to the procurement by force accounts and procurement of equipment and furniture against the funds for CIS sub-project.

65. Equipment, furniture, parts and supplies are procured using local shopping method and evaluated and endorsed by the BAC. Procurements of seeds through direct contracting were likewise evaluated and endorsed by the BAC. The mission found the procurement documents with appropriate summary of quotations and bid evaluation as endorsed by BAC and approved by the IMO Director or Regional Director in line with the delegation of authority.

66. **Quality and Timeliness of Audit** is moderately unsatisfactory. The Project consolidated audit report for 2013 due on 30 June 2014 has not been submitted to IFAD yet. The mission verified in the regions VIII and X the possible cause of the delay. The following were found:

- a) In Region VIII, the financial statements and other reports and documents for audit of NIA IRPEP accounts and issuance of certificate were forwarded to the COA as early as February 2014 and COA Region VIII issued audit certificate and management letter on 27 June 2014 (within the COA official deadline of 30 June 2014). Copy of the audit certificate and management letter was received by NIA HQ on 27 July 2014 for forwarding to COA HQ.
- b) DA Region VIII did not prepare a financial statement. Instead, the report on check disbursements was provided to COA and copied to DA HQ Finance. The mission noted the report for the period January to June 2013 was submitted to COA on 13 September 2013 and until now this has not been audited. The mission did not see the report for July to December 2013. Accordingly, DA COA Region VIII auditor conducts audit of several funds of DA and special projects.
- c) In Region X, COA audit certificate for NIA Regional Office and Bukidnon IMO was received by NIA on 3 July 2014. Some audit observations were: ineligible expenditure of Peso 1.49 million (USD33T), no equipment subsidiary ledger and failure to submit inventory reports totalling Peso 2.06 million (USD46.8T), honorarium totalling Peso 854T (USD19.4T) not supported with required documents.

67. An Unqualified Audit certificate by COA for 2013 financial statements and reports has been issued on 7 August 2014 to NIA Region VI and IMO Antique. According to the Regional Accountant, the financial statement was submitted on time to COA on or before the 20th day of the month following.

68. The mission advised DA/NIA to inform COA that the deadline for submission of the project annual audit report to IFAD is 30 June of the following year and request to change the deadline for issuance of audit certificate and management letters in the regions and IMOs to 30 April of the following year in order to meet the deadline of submission of audit report to IFAD. Further, the mission advised that COA should beef up its staff complement at the regions in order to cope up with audit tasks and reporting.

69. The audit log for the audit observations of 2012 audit where responded to and actions taken accordingly by DA/NIA. COA needs to agree with the responses and actions taken.

70. The project has not prepared TOR for audit as agreed in the MTR mission. The PCO will write IFAD to confirm that COA audit is conducted within International Audit Standards and in accordance with existing procedures, rules and regulations of the Government.

71. **Fiduciary Risk Assessment.** The IRPEP has in some areas weak internal control. The submission of financial and audit reports was delayed. There were no detailed government guidelines submitted to IFAD in the disbursements of budgets for the CIS restoration and rehabilitation particularly for procurements of equipment, parts and furniture, cost charged to different CIS sub-projects. Internal Auditor/s in the Regions and IMOs need to be in place. Five items in the agreed actions of the MTR mission for the Fiduciary Aspects particularly for IRPEP project were not complied with such as closing of EC grant, TOR for audit, update of fixed asset register, procurement and accounting procedures for the procurement by force account and community participation. DA has yet to write IFAD for the use of force accounts not in line with the procurement plan.

Agreed action	Responsibility	Agreed date
25) Update Fixed Asset Register for all the IMOs at Regional Offices, P providing fixed asset tag number for each equipment and furniture item.	NIA Region and Province	31 October 2014
26) Appoint Internal Auditors at the Region and IMO levels of NIA	NIA HQ/Region/IMO	31 October 2014
27) Coordinate with COA for the change of deadline to 30 April for submission of audit certificate and management letter from COA Region/IMO to COA HQ	DA, NIA, COA	31 August 2014
28) Submit 2013 audit report	PCO/NIA NPCU	1 September 2014

72. **Sendong Top Up Financing.** IFAD approved on 30 November 2012 a Supplementary Financing of SDR 2.373 million (USD 3.66 million), consisting a loan of SDR 1.53 million (USD 2.36 million) and a grant of SDR 0.843 million (USD 1.30 million) to rehabilitate two irrigation systems in Region X which were damaged by Tropical Storm Washi (local name Sendong) in December 2011. However, the supplementary financing agreement has not been signed by the Government of the Philippines (GPH) as of mission time. The Department of Agriculture (DA), the Programme lead implementing agency, wrote to IFAD that they would no longer pursue the utilisation of IFAD supplementary financing since the special authority to the Department of Finance (DoF) to sign the agreement has not been issued by the Office of the President and the budget requirement for the rehabilitation of the two irrigation systems was already released by GPH under the NIA regular programme. Accordingly, IFAD will initiate the process of cancellation of the loan and grant amounting to SDR 2.373 million (USD 3.66 million).

Agreed action	Responsibility	Agreed date
29) GPH through DoF to officially write IFAD that GPH would no longer avail of the IRPEP supplementary financing.	DA/DOF	By 31 August 2014
30) NIA will find ways to fund IRPEP IA strengthening activities in 2014, including meeting DBM to request for the utilisation of the unobligated CY 2012 IRPEP funds in the amount of PhP 5.4 million for the IA strengthening activities of IRPEP in Region X.	NIA-NPCU/PCO	By 15 September 2014

F. Sustainability

71. **Institution building** is still satisfactory. The 112 IRPEP assisted IAs were re-activated and organized and are now registered either at SEC or DOLE. Given the legal personality, they can now enter into contract with any government or non-government partners for development related endeavours to further strengthen their organization. All the IAs have already completed the preparation of their respective O and M Manuals that will guide them in the proper management of their completed systems. They have already started collecting ISF from their members and the trend of collection efficiency is gradually increasing although some IAs suffered temporary set-backs due to the occurrence of typhoons “Yolanda and Glenda”. While those IAs affected by calamities tried to remedy the situation by temporarily “fixing” the damaged facilities through collective efforts (bayanihan), they still need to be provided with government assistance in restoring other facilities with major damages beyond their capacity. To some extent, they still need a little more capacity building assistance in terms of further guidance from Institutional Development Officers.

72. **Empowerment** performance is satisfactory. IA members were participants to all capacity building interventions of the project which included training on pre-construction, construction, operation and maintenance of irrigation systems; organizational and financial management of their IAs, and in the FFS training. With IAs being strengthened, they now have the control over the communal irrigation facilities that will hopefully improve their living standards.

73. **Quality of Beneficiary Participation** is satisfactory. Both men and women members and officers of the IAs are equally participative and actively engaging in discussions articulating their concerns. IA membership has increased by 18.54% with female membership increasing by 99.77%. Women in leadership increased by 124.54%. The increase of women participation is an indication that women are given equal opportunities with men in becoming members and officers. During the conduct of various trainings, women participants ranged from 30% to 60% as compared to previous capacity building interventions provided by government agencies. During times of calamity as in the case of Regions VI and VIII, men and women were working together demonstrating their high sense

of responsibility and ownership of the completed facilities.

74. **Responsiveness of Service Providers** is satisfactory. The DA-ATI led the FFS process which has brought positive and tangible results in terms of increased paddy production and productivity. This had been openly appreciated by farmer beneficiaries during the conduct of mission site visits and discussions in the field. While NFA was not able to fully utilize the FKs for the intended purpose, the re-activation of the TXT NFA proved to be more accessible to farmers in terms of marketing information dissemination. The post-harvest services provided to farmers in terms of low cost drying and storage under the FOBB program is also gaining interest of farmers in the IRPEP area. The contractors also proved to be responsive to the needs and requirements of NIA during the implementation of rehabilitation and restoration works with the completion of all 109 CISs within the project period.

75. **Exit Strategy (readiness and quality)** performance is moderately satisfactory as sustainability plans are now being developed. Capacity building interventions on how to manage the O and M of irrigation facilities have been completed and attended by all IAs. O and M manuals incorporating plans and programs have been formulated by individual IAs. Plans on how to sustain the O and M of completed facilities after project completion include providing periodic assistance and guidance to IAs through the radiation efforts of regular NIA IDOs or those engaged in on-going projects after the IRPEP IDOs' and FIOs' engagements are terminated, accreditation of the IAs to the Local Development Councils (LDC), federation of IAs at the provincial and regional level, establishment of an IA Coordinating Council (IACC) at the municipal level, and creation of a System Management Committee (SMC) in the CIS. Pilot testing of the possibility of encouraging better performing IAs to gradually increase the ISF rate to cope with required funding support for regular maintenance works is also being planned.

76. **Potential for Scaling-up and Replication** is satisfactory. The potential of the project's approach is that it combines investment in improving infrastructure with strengthening the IAs (or in some cases reactivating defunct IAs) to be able to operate and maintain the schemes themselves after the end of project assistance. Project interventions were also focused on improving the efficiency of irrigation water supply delivery through canal linings eliminating seepage and erosions. While canal lining initially requires higher investment cost, this will be compensated in the long run through improvement in water delivery efficiency and longer life span of irrigation water conveyance facilities. The deployment of IDOs in the project until a year after civil works completion and during initial system operation also helped a lot in ensuring that the IAs are well capacitated. With a large number of other CIS that need rehabilitation physically and institutionally, there is scope for scaling up and replicating the approach in other rice growing areas where there are large numbers of largely subsistence farmers.

G. Other

77. **Physical and financial assets** rating is satisfactory. With the completion of the rehabilitation of the CISs, there has been an increase in physical assets operated and controlled by the IAs. The proper use of these assets will hopefully translate to increase in production and consequently income of the farmer beneficiaries.

78. **Improved food security** is satisfactory. After the rehabilitation and restoration works were completed coupled with the completion of capacity building interventions in both technical and institutional development, average cropping intensity in the IRPEP areas increased by about 27% while the average yield improved from 70 to about 84 cavans (1 cavan has 42-50 kilos of paddy) per hectare. In addition, the FFSs reported that through their interventions yield increased from 13-20%. This will consequently translate into an increase in volume of rice production. These estimates will definitely contribute to the improvement of food security especially at the household levels of the farmer beneficiaries.

H. Conclusion

79. After more than four years of implementation, IRPEP accomplished above 100% of its CIS rehabilitation works and almost 90% of its IA capacity building activities which resulted in improved

productivity and production of small holder paddy famers. There are already preliminary indications that the Project will achieve its development objectives. It is evident that farmers in targeted areas have internalized the benefits of well-functioning irrigation systems and strengthened IAs with technical, financial, and management capacities to sustain the gains of improved physical infrastructure. Likewise, IRPEP has made inroads in empowering women to be actively involved and lead the affairs of usually “male dominated” IAs. Despite Typhoon “Yolanda and Glenda” which damaged some rehabilitated CIS and paddy production in IRPEP areas, IA farmers were able to bounce back and utilised community resilient mechanisms, i.e., “bayanihan” or community collective efforts to repair damages in their irrigation facilities to save their standing paddies

80. To ensure that the initial Project gains can be sustained and the lessons learned and good be shared either for replication or scaling up, in the next few months of 2014, the programme is expected to: (i) Complete the IA strengthening activities, especially on operation and maintenance of THE completed CIS; (ii) Prepare an exit/sustainability plan for the IAs; (iii) Turn-over the IA strengthening responsibilities of the institutional development officers and farmer irrigation officers to IA officers and their members; (iv) Follow-up the rehabilitation of CIS damaged by Typhoon Haiyan using the government’s Rehabilitation Assistance on Yolanda (RAY) programme funds; and (v) Make use of the NIA regular funds to progressively close the gaps in the rehabilitated CIS. In the first half of 2015, RaFPEP is expected to: (i) Capture the experience of the programme either through case studies or other forms of publication; (ii) Undertake a participatory programme completion review exercise; (iii) Conduct a programme completion or impact study; and (iv) Start the preparation of a programme completion report.

81. The aide memoire is subject to review and approval by the Government and IFAD Management.

82. Signed on 18th August 2014, in Quezon City, Metro Manila, the Republic of the Philippines.

Youqiong Wang
IFAD Country Programme Manager

Atty. Emerson U. Palad
DA Undersecretary for Operations

Appendix 1: Summary of project status and rating

Basic Facts							
Country	Philippines			Project ID	1485	Loan/Grant No.	767-PH, C_EC-767 PH
Project	Rapid Food Production Enhancement Programme (RaFPEP)				Supp. Loan/Grant		
Date of Update	18 August 2014					Financing terms	Intermediate
Supervising Inst.	IFAD						
No. of Supervisions (incl.MTR)	5	No. of Implementation Support/Follow-up missions	8				
Last Supervision	Sept.-Oct. 2013	Last Implementation Support/Follow-up	May 2014				

					USD MILLION	DISB. RATE %
Approval	17 December 2008			Total costs	47.172	85.8
Agreement	02 September 2009	Effectiveness lag	10 months	IFAD Total	15.900	94.2
Effectiveness	09 November 2009	PAR value		IFAD loan	15.900	94.2*
MTR	02 October 2013			Domestic Total		
Current completion	31 December 2016	Last Amendment		Government (National)	14.001	76.5
Current closing	30 June 2017	Last Audit	2012	LGU/IA	4.121	73.1
No. of extensions				Co-financing (EU)	13.149	83.7

*IFAD disbursement % refers to currency of disbursement. *Percentage of Loan Disbursement is based on SDR original allocation and disbursement amounts.*

Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	4	4	1. Quality of Project management	5	4
2. Acceptable disbursement rate	5	5	2. Performance of M&E	4	4
3. Counterpart funds	5	5	3. Coherence between AWPB & implementation	5	4
4. Compliance with financing covenants	4	5	4. Gender focus	5	6
5. Compliance with procurement	4	4	5. Poverty focus	5	5
6. Quality and timeliness of audits	3	3	6. Effectiveness of targeting approach	5	5
			7. Innovation and learning	5	5
			8. Climate and environment focus	4	4
B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Component 1: IA strengthening	4	5	1. Institution building (organizations, etc.)	5	5
2. Component 2: Inputs and services	5	5	2. Empowerment	5	5
3. Component 3: Infrastructure	5	5	3. Quality of beneficiary participation	5	5
4. Component 4: Marketing and PHF	4	4	4. Responsiveness of service providers	4	5
			5. Exit strategy (readiness and quality)	4	4
			6. Potential for scaling up and replication	4	5

B.5 Justification of ratings. The ratings reflect Project accomplishment as of June 2014 and of the progress of implementation last year, especially on the turnover of almost all completed CIS investments to IAs and the improved performance of the IAS. The rating for all the other components remains unchanged except for the project management which experienced a turnover of senior staff at the PCO and NIA-NPCU with the latter having no replacement, and almost non-functioning

RIOs/RCTs which only met in July in preparation for the supervision mission. Rating on audit remains moderately unsatisfactory as the 2013 IRPEP audit has not been completed as of mission time.

Overall Assessment and Risk Profile

	Last	Current
C.1 Physical/financial assets	5	5
C.2 Food security	5	5
C.3 Quality of natural asset improvement and climate resilience	4	4
C.4 Overall implementation progress (Sections B1 and B2)	5	5

Rationale for implementation progress rating reflects the progress of the implementation of the components, maintained performance on most assessment areas in B1 and B2 and for an improved rating for compliance with financing covenants and gender focus.

C.5 Likelihood of achieving the development objectives (section B3 and B4)	5	5
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Rationale for development objectives rating. The following should contribute to achieving the Project's development objective: (i) improved capacities of IAs and the ability of those IAs affected by Typhoon Haiyan to bounce back; (ii) government's RAY programme which will repair the damages brought by Typhoon Haiyan to IRPEP irrigation and post-harvest facilities; (iii) commitment of NIA's regular programme especially in Region X to respond to some operation issues of two CISs in Lanao del Norte; (iv) moves on integrating the IAs with local governance for continued access of government services.

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

Fiduciary aspects: IRPEP has some areas with weak internal control. Submission of financial and audit reports was delayed. There were no detailed disbursements of budgets for the CIS restoration and rehabilitation particularly for procurements of equipment, parts and furniture, cost charged to different CIS sub-projects. Internal auditor/s in the Regions and IMOs need to be in place.

Project implementation progress: Overall project implementation is satisfactory. As the project is about to close it is imperative that the project has to designate a full time M&E office and start capturing project outcomes and impact of the project. In addition, the project has to involve all implementing partners in drawing lessons from the experience for better delivery of agricultural services to small holder farmers in irrigated areas.

Outputs and outcomes: Project has completed rehabilitation of all target CISs and almost completed activities to strengthen the IAs. For a better operation of the CISs and IAs, the project has to complete all IA strengthening activities especially those related to operation and maintenance of the CISs and to improve the capacity of the IAs to analyse market information, to negotiate, and to be strategic and competitive palay/rice supplier in the market.

Sustainability: To ensure that the initial Project gains the Project should: (i) complete the IA strengthening activities especially on operation and maintenance of completed CISs; (ii) prepare an exit/sustainability plan for the IAs; (iii) turn-over the institutional development officers' (IDOs)/farmer irrigation officers' (FIOs) IA responsibilities to IA officers and members; (iv) follow-up the rehabilitation of CISs damaged by Typhoon Haiyan using the RAY programme funds; (v) tap the NIA regular funds to : (vi) capture the experience of the Project either through case studies or other forms of publication; (vii) undertake a participatory project completion review exercise; (viii) conduct a project completion or impact study; and (ix) start the preparation of a project completion report.

Proposed Follow-up

Issue/Problem	Agreed Action	Timing
Improving internal control and timely audit	Update Fixed Asset Register for all the IMOs and Regional Offices, P providing fixed asset tag number for each equipment and furniture item.	31 October 2014
	Appoint Internal Auditors at the Region and IMO levels of NIA	31 October 2014
	Coordinate with COA for the change of deadline to 30 April for submission of audit certificate and management letter from COA Region/IMO to COA HQ	31 August 2014
	Submit 2013 audit report	15 September 2014
Capturing and sharing the project's outcomes, impact and lessons learned.	Involve all implementing partners (DA, DA-RFOs, NIA, ATI, NFA, LGUs and IAs) in assessing the overall performance of IRPEP drawing lessons from the experience for better delivery of agricultural services to small holder farmers.	By 2015
	Utilise the results of the policy dialogues, e.g. policy briefs for use by agency management and policy makers.	By 2015
	Undertake project completion review activities: a) impact study. b) project completion report. c) project completion review mission	Start July 2015
Strengthening further the IAs	NIA will find ways to fund IRPEP IA strengthening activities in 2014, including meeting DBM to request for the utilisation of the unobligated CY 2012 IRPEP funds in the amount of PhP 5.4 million for the IA strengthening activities of IRPEP in Region X.	By 15 September 2014
	Pursue accreditation of IAs to Local Development Councils for better linkage on future assistance.	Starting last Q of 2014
	Pursue the establishment of higher level IA. Committees/Councils to serve as overall coordinating body of individual IAs.	Starting last Q of 2014
	Pilot test the possibility of encouraging better performing IAs to gradually increase the ISF rate to cope with required funding support for regular maintenance works.	Within 2015
	Continue improving the capacity of IAs to analyse market information, to bargain and to be a strategic and competitive supplier in the market.	Continuing
Restoring damaged CISs by Typhoon Yolanda/Glenda	Pursue the site investigation and prepare the plans for protective works on the intakes of the 2 CISs in Antique.	Last Q of 2014
	Undertake remedial measures to restore the operation of Inasagan CIS.	September 2014
	Pursue NIA's plan to undertake FS for Bulod CIS.	Within 2014
Preparing project exit strategy	Formulate strategies for the exit plans and start transitional turn-over of responsibilities of IDOs/FIOs to IAs	Bu 31 December 2014

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

Narrative Summary	Verifiable Indicators	Progress as of 30 June 2014	Means of Verifications	Assumptions/Risks
Programme Goal				
Increased food production by farmers on clustered irrigated rice production systems on a sustainable basis, thus contributing to rural poverty reduction.	<p>By 2015, in target areas (baseline 2010)</p> <ul style="list-style-type: none"> 5% reduction of poverty incidence in targeted focus provinces under FSSP from an average of 30.4%. 25% reduction in prevalence of severely malnourished children among the communities directly benefiting from the Programme. 30% of households directly benefiting from the Programme achieve improved assets ownership index. 50% decrease in number of households experiencing lean months. 		<ul style="list-style-type: none"> RaFPEP household survey. Poverty Incidence and Threshold Survey of National Statistical Coordination Board. RIMS survey. 	
Project Purpose (RaSSFIP and IRPEP)				
RaSSFIP: Secured the supply of paddy seeds for CISs in the RaSSFIP areas.	<p>By 2011, in target provinces</p> <ul style="list-style-type: none"> 10% increase in paddy production of about 803,750 hectares, based on 2008 production. 		<ul style="list-style-type: none"> BAS Report. Project Completion Survey. 	<ul style="list-style-type: none"> Extreme weather conditions will not prevail.
IRPEP: Improved productivity and production of irrigated paddy on selected irrigation schemes in the IRPEP area, by strengthening IAs, the rehabilitation of irrigation schemes, the provision of farm inputs, marketing and processing facilities.	<p>By 2015, in IRPEP target areas (baseline 2010)</p> <ul style="list-style-type: none"> 5% increase in real household income of paddy farmers. At least 10 % increase in overall rice production. At least 10% increase in rice yield per hectare. 	<ul style="list-style-type: none"> Average increase of 10.16% in rice yield per hectare. 	<ul style="list-style-type: none"> Project Completion Report. NIA IMO/Regional report. 	<ul style="list-style-type: none"> Extreme weather conditions will not prevail. No major disruption in rice market.
IRPEP Component Outcomes				
Component A. Improved IA capacity to: (i) Operate and	<p>By 2015, in 112IAs of CISs:</p> <ul style="list-style-type: none"> 60% of IAs in the CISs are 	<ul style="list-style-type: none"> 77.68% of IAs in the CISs are rated at least 	<ul style="list-style-type: none"> IA Functionality Survey. IMT contracts. 	<ul style="list-style-type: none"> Regional level markets are favourable to

Narrative Summary	Verifiable Indicators	Progress as of 30 June 2014	Means of Verifications	Assumptions/Risks
maintain their irrigation system; and (ii) Sustain their organizational functionality.	rated at least satisfactory in terms of functionality. <ul style="list-style-type: none"> • 80% of potential farmer members or about 12,600 farmers in the irrigation systems joined the IAs. • At least 30% of the IA leadership are women. • At least 80% ISF collection rate among IAs in CISs 	satisfactory in terms of functionality. <ul style="list-style-type: none"> • 83.95% of potential farmers members joined the IAs. • 31.66% of IA leadership are women • 72.71% ISF collection rate among IAs in CIS 	<ul style="list-style-type: none"> • Minutes of IA meetings. • IA financial, O&M, training records. • NIA IMO/Regional reports. 	paddy farmers. <ul style="list-style-type: none"> • Minimum or no natural damages to irrigation structures. • No rapid change 333in DA and attached agencies and LGU priorities and policies. • Safety nets on rice importation are in place and observed.
Component B: Increased water-use efficiency of rehabilitated irrigation systems.	By 2015, in 109CISs: <ul style="list-style-type: none"> • 100% of rehabilitated and restored area in the CISs are receiving irrigation water. • 13,228 has of rehabilitated CISs is double cropped annually. 	<ul style="list-style-type: none"> • Percentage of rehabilitated and restored areas in the CIS receiving irrigation water: 100% (88%) in Region VI during dry (wet) season; 80% in Region VIII; 91% in Region X • Percentage of area of rehabilitated CIS double cropped annually: 96.85% in Region VI; 100% in Region VIII; and 100% in Region X 	<ul style="list-style-type: none"> • IA Seasonal O&M performance result. • List of Irrigated and Planted Area. 	
Component C: Improved access of paddy farmers to buffer stocks (certified inbred seeds) and rice technology extension services.	By 2015, in Regions VIII and X: <ul style="list-style-type: none"> • 60 000 bags (40 kg each) of certified inbred seeds in good quality regularly maintained for a 3-year period starting in 2011 as buffer stock by DA-RFUs in Region VIII (40,000 bags for Region VIII; and 20,000 for Region X) and X for timely rehabilitation of lost crops due to natural calamities. • Actual number of rice farmers who received and planted certified inbred seeds. 	<ul style="list-style-type: none"> • Percentages of the target level of buffer stock that was maintained per year: 93% in 2011; 54% in 2012; and 92% in 2013 • 23,220 farmers received and planted certified inbred seeds. • 75% of the targeted 5,000 farmer participants in the FFS applied the Palay/Check system. 	<ul style="list-style-type: none"> • Planting records and distribution; production and crop yield reports of LGUs and DA-RFUs. • Farmers' adoption checklist. 	

Narrative Summary	Verifiable Indicators	Progress as of 30 June 2014	Means of Verifications	Assumptions/Risks
	<ul style="list-style-type: none"> 75% of the targeted 5,000 farmer participants in the FFS applied the Palay/Check system. 			
<p>Component D: Improved marketing efficiency of Irrigators Associations (IAs).</p>	<p>By 2015, in 49 IAs of CISs:</p> <ul style="list-style-type: none"> 50% of the farmers in 49IAs in Regions 8 and 10 sell collectively through NFA's IPP and/or private businessmen. 50% of farmer members' rice production is sold through the IAs. 25 registered IAs have increased their sales. Number of farmers in 49IAs that have accessed NFA's post harvest facilities and market information facilities and services. 	<ul style="list-style-type: none"> 7 IAs in Region VIII sell collectively through NFA's IPP and/or private businessmen 7 registered IAs in Region VIII have increased their sales. 15 farmers accessed NFA's post harvest facilities 45 farmers in 10 IAs accessed the farmers kiosks 	<ul style="list-style-type: none"> IA's financial statements. NFA procurement/ farmer registry. 	
<p>Component E: Enacted favourable policies of DA , NIA and NFA for farmers in irrigated areas.</p>	<p>By 2015, in the IRPEP areas</p> <ul style="list-style-type: none"> Policies on grains stabilization, irrigation amortization, and food subsidy are promulgated and adopted complementary and supplementary to the government's Food Staples Sufficiency Programme. 	<ul style="list-style-type: none"> The approved the amendment of MC 27, Series 1991, "Cost Recovery Schemes and Other Pertinent Guidelines for Communal Irrigation Projects" is now being adopted as a result of the policy dialogue conducted 	<ul style="list-style-type: none"> Resolutions, policy briefs. MCs showing amendments to existing policies. 	
IRPEP Component Outputs				
<p>Component A: 1.1. IAs in the target CISs organized/reorganized. 1.2. IAs capacitated to operate and maintain their irrigation systems and manage their organization.</p>	<ul style="list-style-type: none"> 112 IAs in CISs registered in SEC/activated their SEC registration. 112 IAs in CISs trained on capacity-building trainings on CIS operation and maintenance and 	<ul style="list-style-type: none"> 112 IAs in CISs registered in SEC/activated their SEC registration. 112 IAs in CISs trained 110 IAs in CISs prepared their action plans (organizational 	<ul style="list-style-type: none"> NIA IMO report. Project monitoring report. 	

Narrative Summary	Verifiable Indicators	Progress as of 30 June 2014	Means of Verifications	Assumptions/Risks
	<ul style="list-style-type: none"> organizational management. • 112 IAs in CISs prepared their action plans (organizational O&M and financial plans). 	<ul style="list-style-type: none"> O&M and financial plans) 		
<p>Component B: 2.1. CISs rehabilitated/ restored. 2.2. Solar dryers and small warehouses constructed.</p>	<ul style="list-style-type: none"> • 109 CIS have 8,535¹ hectares of irrigated rice lands with improved irrigation facilities and some restored areas. • 14 solar dryers with small warehouses constructed. 	<ul style="list-style-type: none"> • Total of 9,347 hectares of irrigated rice lands with improved irrigation facilities and some restored areas. • 11 solar dryers with small warehouses constructed 	<ul style="list-style-type: none"> • NIA IMO report. • Project monitoring report. 	
<p>Component C: 3.1. Buffer stocking of certified inbred seeds established. 3.2. Paddy farmers and extension workers equipped with knowledge on rice production technologies.</p>	<ul style="list-style-type: none"> • 12,000 bags and 6,000 bags of buffer certified inbred seeds regularly maintained annually for 3 years (2011-2013) by the DA RFU 8 and 10, respectively. • 6 TOTs conducted with 180 participants. • 5,000 farmers of the 49IAs trained on the <i>Palay</i> Check System. 	<ul style="list-style-type: none"> • Average of 80% of target buffer stock level maintained annually • 6 TOTs conducted with 169 participants • 4,300 farmers trained on the <i>Palay</i> Check System 	<ul style="list-style-type: none"> • DA-RFU Report. • ATI Report. • Project monitoring report. 	
<p>Component D: 4.1. Existing post-harvest facilities improved. 4.2. Paddy farmers equipped with information on market practices and technologies.</p>	<ul style="list-style-type: none"> • 8 Storage facilities within the IRPEP areas repaired. • 6 Mechanical dryers retrofitted with biomass furnace. • 16 Farmers' Kiosks established. • 3,641 Farmers trained on collective marketing. • 49IAs registered under NFA's IPP. 	<ul style="list-style-type: none"> • 8 Storage facilities within the IRPEP areas repaired. • 5 Mechanical dryers retrofitted with biomass furnace. • 16 Farmers' Kiosks established. • 2,179 Farmers trained on collective marketing. • 33 IAs registered under NFA's IPP 	<ul style="list-style-type: none"> • NFA report. • Project monitoring report. 	
<p>Component E: 4.1. Policy dialogues initiated.</p>	<ul style="list-style-type: none"> • Conducted at least 1 dialogue with stakeholders on each of the following: CIS Amortization, Grains Stabilization, 	<ul style="list-style-type: none"> • 1 policy dialogue with stakeholders conducted on each of the following: CIS Amortization, Grains Stabilization, 	<ul style="list-style-type: none"> • Minutes/Proceedings. • Project monitoring report. 	

Narrative Summary	Verifiable Indicators	Progress as of 30 June 2014	Means of Verifications	Assumptions/Risks
	Food Subsidy.	and Food Subsidy.		

Notes:

¹ *The total number of Communal Irrigation Systems (CISs) for rehabilitation and restoration is 109 composed of 27 in Region VIII and 22 in Region X under IRPEP and 60 in Region VI under the Farmers' Equity (FE) fund. The target area for rehabilitation and restoration for IRPEP in the Programme Financing Agreement of 02 September 2009 was 5,000 hectares for the 2 regions. However, the amended Financing Agreement of 13 February 2012 reduced the target for IRPEP to 4,664 hectares. Under the FE funds, the target area for rehabilitation and restoration for the 60 CISs in Antique, Region VI is 3,871 hectares bringing the combined target area for IRPEP and FE funds to 8,535 hectares.*

² *Target outcomes and outputs pertaining to NIS were deleted from the logframe since the DA decided not to pursue the proposed loan Supplementary Financing Agreement which was supposed to fund the activities involving the target NIS under IRPEP.*

Appendix 3: Status of Agreed Actions during the 2013 MTR Mission

AGREED ACTIONS	WHOM	DATE	Progress
1. Follow up with DPWH the review of the cost estimates for the Bubunawan and Pulangui river systems to facilitate the final approval and counter signing of the Amendment for the Supplementary Financing Agreement already signed by IFAD.	NIA	15 October 2013	Review of the cost estimates already done by DPWH and submitted to OP. Since the special authority was not yet signed and the budget requirement was already released under GAA, DA decides not to pursue the proposed loan Supplementary Financing Agreement.
2. Ensure sufficient budget for the two systems in 2014 and 2015.	NIA	15 October 2013	Done. To date, DBM released funds required up to CY 2014 amounting to PhP 140 million.
3. Update the master list of potential FBs per irrigation scheme (CIS/NIS) and IA membership.	NIA Region VI, VIII, X	31 December 2013	IA Masterlist is updated every cropping season and IA profile is finalized every 1st qtr of the year before the start of 1st cropping. Masterlist already available in the respective Regions.
4. Follow up with NIA the ongoing review of the IA functionality tool and Pilot test the revised IA functionality tool in IRPEP IAs and use as the basis for future IA strengthening.	PCO, NIA-NPCU with NIA Regions VI, VIII, X	February 2014	The new Functionality Survey Tool was already pre-tested in July 2014 in the selected IAS in Region 1 and 3.
5. Focus IA strengthening on: (i) securing legal rights (SEC registration, water permits, Bureau of Internal Revenue requirements), (ii) increased ISF collection efficiency, (iii) system O&M, (iv) marketing, and improving paddy productivity (e.g. Palaycheck, Integrated Pest Management) and members' income, and (v) expanding IA membership target is 80% of the potential farmer beneficiaries and increasing the percentage of women in IA leadership to 30%.	NIA-NPCU, NIA Regions VI, VIII, X	2014 and 2015	This is on-going. Legal documents by respective IAs required by SEC, BIR, NWRB are being gathered and for IAs that had completed such submit it to respective GOs. Membership recruitment is on-going every cropping season if ever irrigable area of the system is expanded to certain possible area. Gender Sensitivity Training and other possible information is provided to IAs within 2013 and be on-going this 2014-2015 for possible realization of farmers that women could be at least 30% in IA Leadership structure. Palaycheck, pest management and marketing trainings were being provided by ATI and NFA.
6. Complete O&M manual, the formulation of IA plans and policies as the basis for implementation and monitoring.	NIA Regions VI, VIII, X	31 March 2014	All O and M Manuals in 3 regions done. IA Vision, Mission, Programs and Projects, and Policies were formulated during the conduct of IA Strategic Planning and Policies Formulation (SPPF) Trainings and NIA IMO based their monitoring and supervisory activities to the implementation plan of respective IAs.

AGREED ACTIONS	WHOM	DATE	Progress
7. Continue with the CS buffer stocking and distribution system using the established storage facilities and the implementation processes with government funding.	DA-RFUs	From 1 October 2013	Done. Already included in the 2014 AWPB with funding from the regular rice program.
8. Hold a workshop to discuss the issues listed above with more and clear evidence to firm up the strategies and processes to improve the seed buffer stocking programme in the project areas and also elsewhere.	DA-RFUs Regions VIII and X and PCO	15 December 2013	10 October 2013: A draft workshop design was prepared. Workshop will be held in regions 8 and 10 on the following schedules Region 10 - 7 November 2013 (Done) Region 8 - 18 November 2013 (postponed due to typhoon Yolanda)
9. Mainstream FFS methodology, but with one phase rather than three, into regular extension programmes of the LGUs with special attention to tail end farmers, while continuing FFS with IFAD funds.	ATI, LGUs	From 1 October 2013	Already talked with ATI and agreed to include the said activity. There is still a balance of about USD2.0 million under Component 2 (Provision of Production Inputs and Related Services) where FFS training is budgeted. ATI is currently coordinating with NIA for the list of IAs belonging to the tail end to fast-track the identification of participants.
10. Prepare a 3-page executive summary completion report for each scheme completed to support MTR mission report.	NIA Regions VI, VIII, and X	31 October 2013	Done Region 6 - Submitted last October 30, 2013 Region 8 - Submitted last December 2013 Region 10 Bukidnon – submitted last September 30 to PCO Lanao Del Norte – submitted last 30 October 2013.
11. Identify CIS with gaps, rank, and estimate cost of works in closing the gaps and other investments to improve efficiency.	NIA Regions VI, VIII and X	31 October 2013	Done. NIA already included in their 2015 budget the additional CISs to be funded. About Php48 Million available funds under RaSSFIP being tapped as source of funds to finance the gaps identified by the regions.
12. Remind IAs to avoid tilling rice paddies too close to the edge of bench flumes.	NIA Regions VI, VIII, and X	Continuing	The matter is being discussed during meetings and also included in the IA Policies. NIA Regional Offices to submit photo documentations as proof of compliance.
13. Rectify reports on IA equity and reflect as purely LGU counterpart.	NIA Region VIII	31 October 2013	SOEs submitted by NIA Region VIII reflects purely LGU counterpart.
14. For Pulangui Include restoration works for Lateral C and replacement of dam sluice gates in CY 2014 programme.	NIA Pulangui RIS	31 October 2013	Already included in the 2014 POW.

AGREED ACTIONS	WHOM	DATE	Progress
15. Ensure minimal or no turnover of IDOs and FIOs in the remaining years of IRPEP implementation.	NIA Regional and Provincial IMOs	From 1 January 2014	Utilize farmers as IAs' Focal persons (FIO equivalent) as an exit strategy of IRPEP for sustainability.
16. Continue to provide overall guidance and direction to all the monitoring units regarding data to be gathered and indicators to be measured and monitored.	PCO	Ongoing	On-going. The PCO is gathering data from the different M&E units on the indicators identified in the logframe.
17. Complete the development of MIS database.	PCO	31 December 2013	Ongoing. Database is on-going development c/o the staff of the PCO.
18. Start reporting on the following indicators in the logical framework: (i) increase in household income of paddy farmers; (ii) increase in overall rice production; and, (iii) increase in rice yield per hectare.	PCO/ITIM	31 March 2014	On-going. The required information will be incorporated in Appendix 2. "Updated logical framework: Progress against objectives, outcomes and outputs" of this document.
19. Complete the Mid-term Performance Assessment Report to include: the survey methodology, an analysis of the data from MTR household survey, and an analysis of the findings of the five thematic discussion groups.	PCO	15 October 2013	Done. Already submitted last October 2013.
20. Close the EC grant account.	PCO	15 October 2013	Not Done Yet. Requested for use of RaSSFIP but decided not to pursue. The DA through PCO will coordinate with DOF to write officially IFAD
21. Submission of Consolidated Audit Report for 2012 Financial Statements to IFAD.	PCO and COA	15 October 2013	Done. Consolidated Audit Report was submitted to IFAD Country Office on 2 October 2013 for mailing to Rome.
22. Update the property, plant and equipment ledger for all IMOs and Regional Offices and provide fixed asset tag number for each equipment and furniture item.	NIA Regions VIII, X and Provinces	31 October 2013	Not Done Yet. NIA Region X already submitted PPE Ledger Card. (NIA Region VIII has to comply with this)
23. Finalize the TOR for COA audit and submit such to IFAD for NOL. Provide a copy of approved TOR to COA, Central, Regional and Provincial levels.	PCO and IFAD	31 October 2013	Not Done Yet. Still subject for discussion with DA-COA. DA through PCO has to write IFAD that COA will continue to audit in line with existing government guidelines on audit procedures and regulations and in accordance with International Audit Standards.
24. Coordinate and provide details of procedure, documentation and accounting for administration of CIS projects by Force Account and Community participation through IA which will be incorporated in the Project Implementation Manual	NIA, PCO & NPCU	31 October 2013	Not Done Yet NIA/DA to submit government detailed guidelines and regulations on forced accounts and community participation

AGREED ACTIONS	WHOM	DATE	Progress
25. Provide IFAD with a written explanation for using force account procedures in 2012 for all CIS implementation in Bukidnon, which is not in line with the Annual Procurement Plan (CIS implementation to be partly by force account with the major portion using bidding procedures).	NIA and PCO	31 October 2013	Not Done Yet. Report is part of the audit report to be submitted to IFAD (DA/NIA to provide the pertinent government guidelines on force account
26. Provide guidelines that provide the basis for charging indirect costs particularly equipment and furniture to CIS sub-projects.	NIA/PCO	31 October 2013	Not Done Yet. DA/NIA to provide pertinent government guidelines on charging of indirect costs particularly equipment and furniture to CIS sub-projects
27. Update and consolidate Statement of Expenditure and submit WA for IRPEP and Supplementary Financing.	PCO	October 2013	Done. Withdrawal Applications were already prepared and financing agreement still for signature.
28. Finalize responses to 2012 audit observations and to be agreed by COA, submit to IFAD.	PCO/NPCU/COA	15 October 2013	Done. Already endorsed to DA Supervising Auditor the submitted copy of Actions Taken to Implement COA Audit Recommendations for IRPEP by NIA Region VIII and Region X on 18 November 2013. Needs agreement by COA
29. Obtain the necessary government approvals for the changes agreed during the MTR to the project design and the IFAD Financing Agreement; submit a proposal to IFAD to amend the Financing Agreement accordingly.	PCO	15 November 2013	Not Done Yet. Request to use the unspent funds for RaSSFIP will not be pursued. DA to coordinate with DOF to write IFAD.

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

Component/ Sub-component or Output	Indicator	1 Jan 2014 to 31 July 2014		%	Cumulative Actual	Appraisal Target	%
		AWP&B	Actual				
Component 1. Strengthening of Irrigators' Association							
Output 1.1. IA Organized/Reorganized							
1.1.1. Re-organization/reactivation of IAs	No. of IAs	22	4	18.2			
1.1.2. Registration/re-registration of IAs to Securities and Exchange Commission (SEC)	No. of IAs	13	13	100.0	112	112	100.0
1.1.3. Turn-over ceremony conducted	No. of IAs	39	34	87.2	104	109	95.4
Output 1.2. Irrigation Stewards Trained							
1.2.1. Conduct of NIA Staff Training	No. of batches	12	6	50.0	67	77	87.0
1.2.2. Conduct of IA Training	No. of batches	200	130	65.0	377	447	84.3
Output 1.3. Organizational Strengthening							
<i>1.3.1. Institutional strengthening of IAs</i>							
1.3.1.1 Registration to Bureau of Internal Revenue (BIR)	No. of IAs	74	64	86.5			
1.3.1.2 Apply/Update water permit	No. of IAs	5	22	440.0			
1.3.1.3 Updating of master list	No. of IAs	90	74	82.2			
1.3.1.4. Various IA Meetings	No. of meetings	424		0.0			
1.3.1.5. Sector Meeting	No. of meetings	222	126	56.8			
1.3.1.6. Board of Trustees Meeting	No. of meetings	548	443	80.8			
1.3.1.7. General Assembly Meeting	No. of meetings	8	60	750.0			
1.3.1.8. Policy ratification by members	No. of meetings	38		0.0			
1.3.1.9 Membership/ campaign recruitment/ expansion	No. of IAs	108	37	34.3			
1.3.1.10. Program Monitoring and Evaluation Seminar	No. of IAs	5	7	140.0			
1.3.1.11. Tutorial sessions on effective conduct of sector meetings, minute, communication and resolution preparation	No. of sessions	20	3	15.0			
1.3.1.12. Tutorial sessions on Parcellary Mapping and Area Measurement	No. of sessions	12	9	75.0			
<i>1.3.2. Financial</i>							
1.3.2.1 Monitor/assist IA in complying SEC and BIR annual reports/Submission of IA Annual Reportorial Requirements	No. of IAs	27	62	229.6			
1.3.2.2. Tutorial session on bookkeeping, accounting and auditing	No. of sessions	34	13	38.2			
<i>1.3.3. Linkages/Networking</i>							
1.3.3.1 Installation of IA Coordinating Committee (IACC) in LGUs	No. of LGUs	10		0.0			
1.3.3.2 IACC Meeting	No. of meetings	5		0.0			
1.3.4. IA Functionality Survey	No. of IAs	112	112	100.0			
<i>1.3.5. O & M Phase</i>							
1.3.5.1. Development of IA O&M Manual/Plan	No. of IAs	30	100	333.3	110	112	
1.3.5.2. Conduct of NIA-IA O & M Conferences		72	62	86.1			
1.3.5.3. Negotiate LGUs to support IAs O&M Policies	No. of meetings	9	4	44.4			

Component/ Sub-component or Output	Indicator	1 Jan 2014 to 31 July 2014		%	Cumulative Actual	Appraisal Target	%
		AWP& B	Actual				
1.3.5.4. Monitoring of IA monitoring information system (OJT Form)	No. of IAs		62				
1.3.5.5. IA Meetings & Assessment of IA Plans	No. of meetings	12		0.0			
Output 1.4. Program Management & Supervision							
<i>Regional</i>							
1.4.1 Project Validation, Monitoring & Supervision	No. of field visits	33	9	27.3			
1.4.2 Regional Implementing Office (RIO) Supervision (Meetings/Conferences)	No. of meetings	6	4	66.7			
1.4.3 Regional - IMO Staff Coordination Meetings (Meetings/Conferences)	No. of meetings	6	9	150.0			
1.4.4 IDOs/FIOs Consultation/Supervisory Meetings	No. of meetings	12	30	250.0			
1.4.5 IEC materials distribution	No. of copies	500		0.0			
1.4.6 Review and Planning Workshop	No. of batches	1	2	200.0			
<i>Provincial</i>							
1.4.8 IDO Supervisory Meeting	No. of meetings	18	30	166.7			
1.4.9 Review and Planning Workshop	No. of workshop	7	3	42.9			
Component 2. Provision of Production Inputs and Related Support Services							
<i>Sub-component 2.1. CS Buffer Stocking</i>							
Output 2.1.1 CS procured	No. of bags	11,314	4,486	39.6	41,976	60,000	70.0
<i>Sub-component 2.2. Extension Support Services</i>							
Output 2.2.1 Conducted FFS²	No. of batches	136	42	30.9	172	171	100.6
Component 4. Provision of marketing and post-harvest facilities							
<i>Sub-Component 4.1: Support to the National information Network</i>							
Output 4.1.1 Trainings Conducted							
4.1.1.1 Trainings on NFA Marketing programs/ systems and use of FKs	No. of trainings conducted	6	1	16.7	41	56	73.2
	No. of IA farmers trained	414	82	19.8	2,179	3,641	59.8
	No. of IA Marketing groups formed and/or strengthened (IPP)	12	17	141.7			
Sub-Component 4.2: Upgrading of Post-Harvest Facilities of NFA							
Output 4.2.1 Post-Harvest Facilities Upgraded							
4.2.1.1. Repainting & repair of NFA Warehouses ¹	No. of repaired/repainted warehouses	1		0.0	8	8	100.0
4.2.1.2. Retrofitting of biomass furnace	No. of mechanical dryers retrofitted with biomass furnace	1	1	100.0	5	6	83.3
Component 5. Programme Management and Policy Dialogue							
Output 5.1. Conducted Meetings, Trainings and Assessment Workshops							
5.1.1. Conduct regular meeting re project implementation (IRPEP - NPCU/PCO)	No. of meetings conducted	14	16	114.3			
5.1.2. Conduct of quarterly NPSC meeting	No. of NPSC meetings conducted	2	2	100.0	14	24	58.3
5.1.3. Conduct of Annual Programme Review	No. of annual reviews conducted	1	1	100.0			

Component/ Sub-component or Output	Indicator	1 Jan 2014 to 31 July 2014		%	Cumulative Actual	Appraisal Target	%
		AWP&B	Actual				
5.1.4. Conduct of assessment on FFS	No. of FFS assessment conducted	1	1	100.0			
5.1.5. Conduct of COA exit conference	No. of conferences	1		0.0			
Output 5.2. Participation in the IFAD Country Programme Quarterly Meeting	No. of meetings conducted	2	1	50.0			
Output 5.3. IRPEP M&E and KM Strengthening							
<i>5.4.1 Monitoring and Evaluation</i>							
5.4.1.1 M&E Assessment and Planning Workshop	No. of workshop	1		0.0	4	6	66.7
<i>5.4.2. Knowledge Management</i>							
5.4.2.1. Operation and Updating of website	No. of website operated	1	1	100.0	1	1	100.0
5.4.2.2 Training on Technical Report Writing and Documentation	No. of trainings conducted	1		0.0			
5.4.2.3 Documentation of Good Practices	No. of documentations prepared	1		0.0			
Output 5.4. Conducted Field Monitoring and Validation	No. of field visits	28	13	46.4	73	144	50.7
Output 5.5. Prepared reports, documentation and other publications	No. of reports	10	12	120.0	77	102	75.5

Notes:

- ¹ One (1) additional warehouse shall be upgraded in Region X that is already on top of the global target. The fund that will be utilized is from the savings in procurement of office equipment.
- ² On-going and remaining FFS batches are for the remaining phases 2 & 3 which cover the same farmers trained from the 172 completed batches (phase 1).
- ³ Component 3 (Rural Infrastructure Improvement) was not included in the 2014 AWP&B because the outputs have been delivered in previous years

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

Table 5A: Financial Performance by Financier as at 31.07.14

Financier - RaFPEP (in '000)	Approval (In Original Currency per Financing Agreement)	Approval (USD as Implemented)	Disbursements (USD)	Per cent disbursed	Remarks
IFAD loan	SDR10.685	15,900	15,765.52	99.151	includes USD1.3M advances made by IFAD
Co-financier (EC Grant)	EUR 9,596	13,149	11,010.79	83.738	
Government	USD 9,821	14,001	10,710.82	76.501	this includes project implemented in Antique
LGU	USD 1,973	3,142	2,342.90	74.558	this includes project implemented in Antique
Beneficiary	USD 395	979	671.43	68.565	this includes project implemented in Antique
Total		47,172	40,501.46	85.859	

Table 5B: Financial Performance by financier by Component (USD '000) 31.07.14

(in '000 USD)	IFAD loan			Co-financier (EC Grant)			Government			LGU Counterpart			IA Counterpart			Total		
	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%
A. RaSSFIP	14,547	13,497	92.78	10,482	9,281	88.54	218	224	102.77	-	-		-	-		25,247	23,002	91.11
Procurement and Distribution of Seeds	14,540	13,491	92.79	9,362	9,215	98.43	-	-	0.00							23,902	22,706	95.00
Coordination & Management	7	6	84.74	1,120	66	5.92	218	224	102.77							1,345	296	22.04
B. IRPEP	1,354	968	71.50	2,667	1,729	64.85	13,783	10,487	76.09	3,142	2,343	74.56	979	671	68.57	21,925	16,198	73.88
Strengthening of IAs	402	402	100.00	163	148	90.76	1,484	633	42.68							2,048	1,183	57.73
Provision of Production Inputs & Related Support Service	520	400	76.89	1,459	712	48.78	2,119	989	46.70							4,098	2,101	51.27

Irrigation & Rural Infra Improvement			0.00	646	647	100.15	9,074	8,291	91.37	3,142	2,343	74.56	979	671	68.57	13,841	11,952	86.35
Marketing & Post-Harvest Dev't	190	77	40.40	54	-		165	18.44	11.14							409	95	23.24
Programme Mgmt & Policy Dialogues	242	90	37.06	346	224	64.65	941	555	58.96							1,529	868	56.77
SUBTOTAL	15,900	14,465	90.97	13,149	11,011	83.74	14,001	10,711	76.50	3,142	2,343	74.56	979	671	68.57	47,172	39,201	83.10
Add: Advances Made by IFAD		1,301														-	1,301	
TOTAL	15,900	15,766		13,149	11,011		14,001	10,711		3,142	2,343		979	671		47,172	40,501	86

*Includes project cost Region 6 Antique Farmers Equity

Table 5C: IFAD Loan Disbursement (SDR) as on 31.07.2014

IFAD LOAN		RAPID FOOD PRODUCTION ENHANCEMENT PROGRAMME (RaFPPEP)					in SDR	
Category	Category description	Original Allocation	Revised Allocation	Disbursement (WA)	W/A pending	Balance	Per cent disbursed	
I	Civil Works	36,500		13,176.68		23,323.32	36.10%	
II	Agricultural Production Inputs	9,976,500		8,690,332.22		1,286,167.78	87.11%	
III	Equipment, Materials & Vehicles	29,000		28,374.20		625.80	97.84%	
IV	Training & Studies & Advisory Services	574,500		453,710.70	10,395.93	110,393.37	80.78%	
V	Salaries and/or Allowances	13,000		12,626.24		373.76	97.12%	
VI	Operations and Maintenance Initial deposit	55,500		21,667.61	1,456.21	32,376.18	41.66%	
				842,506.57		(842,506.57)		
	Total	10,685,000		10,062,394.22	11,852.13	610,753.65	94.28%	

Note: Project Cost is exclusive of Top-up Financing amounting to SDR 1,553,000 ; conversion of pending WA is based on last WA submitted (SDR = US\$1.54884)

Appendix 6: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section 5.01 (b)	The DACentral Office shall consolidate financial statements and supporting schedules relating both to Loan and the Grant submitted thereto to IFAD	within 45 days of the end of each quarter. Annual Financial Statement to IFAD 3 months or March 31 after end of calendar year	Quarterly financial report has been forwarded to DA-PCO. Annual Financial Report submitted to IFAD in May 2014	
Section 5.02 (a)	The DA Central Office shall appoint auditors within 90 days every year subject to prior approval of IFAD	within 90 days of the end of each quarter	No TOR for the COA	Included in the Recommendations of the Mission
Section 5.02 (d)	The DA Central Office shall submit to the IFAD audit report within 6 months after end of the year	within 6 months of the end of each year	2013 Audit Not submitted yet	Will submit on or before 30 September 2014

Appendix 7: Knowledge management: Learning and Innovation

Learning

What has worked particularly well in this project during this period? What have been the reasons for this?

1. In Region VI, the engagement of the Farmer-Irrigation Organizers (FIOs) to support Institutional Development Officers (IDOs) in organizing irrigation association (IA) members was a good solution to address the Irrigation Management Office's (IMO's) problem on limited manpower. This contributed significantly to the success of IA strengthening activities in the region. Coming from their respective area of assignment, FIOs facilitated coordinating with farmer beneficiaries (FBs) and organizing IAs as they are already familiar with the area and the FBs.
2. Community participation on the restoration/rehabilitation works for communal irrigation systems (CIS) encourages ownership which leads to stricter monitoring on the quality of work and adherence to work schedules. It also promotes knowledge and technology transfer, which proves beneficial when the IA take charge of the operations and maintenance (O&M) after turn-over.
3. Strengthening the financial and organizational capabilities have served some IAs particularly well that some ventured into other forms of entrepreneurship (micro-lending, mat weaving, etc.). It would be best for the Department of Agriculture (DA)/ National Irrigation Association (NIA) to initiate/continue providing training on enterprise development, business case/project proposal writing, and linking IAs with appropriate agencies like the Department of Trade and Industry (DTI).
4. During the supervision visits to IAs, it was observed that the success of the IAs depends by and large on the strength and quality of its leadership. The core trainings for IAs on O&M phase, which includes Basic Leadership Development Course (BLDC), Financial Management Seminar (FMS), Systems Management Training (SMT), Training on Water Saving Technology, Value Formation Seminar (VFS), Training on Gender Sensitivity (G-BEST), and Program Monitoring and Evaluation Seminar, work well in improving the competence of IA leadership. But since IAs elect officers every three years, without proper succession planning, IA leadership may relapse. Thus, it may be best that the core seminars/trainings be conducted as part of NIA's regular program every time there is a change in IA leadership.
5. The buffer stocking in Regions VI and VIII provided the initial seed requirements to farmers affected by Typhoon Haiyan in Region VIII and Typhoon Bhopa in Region XI. Maintaining a certain level of seed requirements in every region to provide seeds to farmers on emergency situation is a good practice in order not to disrupt the planting activities of farmers and to some extent deter price manipulation of seeds.
6. The timely availability of LGU counterparts and proper management of contracts with close monitoring and coordination meetings at the field level were the keys to early completion of all CIS rehabilitation and restoration works. The responsiveness of the contractors to NIA's request to double their efforts also mitigated the potential adverse impact of the rainy season which coincided with the construction works.

What has not worked so well? What have been the reasons?

1. Delays in the conduct of trainings and other IA strengthening activities were noted in conflict-affected areas in Region X. Similar future interventions on conflict-affected areas should entail a longer time-frame in the work plan in anticipation of delays due to peace and order problems.
 2. After two consultancy contracts, the planned Management Information System (MIS) has yet to be established. This may be due to the fact that database and website development falls outside the technical expertise of the DA staff involved. Thus, difficulties could be expected particularly in planning the systems design, in overseeing or managing the progress of the consultant, and in ensuring the quality of the deliverables. In future procurement, the procuring entity may consider availing first the services of consultant who will design the system, assist in the procurement of the developer, supervise the developer during implementation, and liaise with the developer and the
-

procuring entity.

3. Participation in the Farmer-Field-School drops from Phase 1 to Phase 3. Some of the participants find it hard to make time for three whole days of straight training. In the future, DA may consider having shorter training sessions (e.g., half day) with intervals (e.g., every other day). Also, there should be a systematic way of documenting participants' feedback to help improve training design. This should also be monitored by the Project Coordinating Office (PCO).

4. In Region X, pending the approval and subsequent incorporation of the Guidelines on the Administration of CIS Projects by Force Account and Community participation through IA in the Project Implementation Manual, NIA-RO proceeded to avoid further delay in project implementation the construction by force account through a MOA with concerned LGUs that also involved community participation. Conflict arose when the guidelines to implement the civil works thru contractor came after NIA-RO and the LGU have initiated the process. For similar projects in the future, detailed guidelines for the procurement by force account or thru contractor should be incorporated in the Project Implementation Manual prior to implementation.

5. Recent typhoons and flooding have exposed immense potential to undermine IAs' operation/survival, which is heavily dependent on adequate irrigation. Siltation and damage to structures caused by these natural hazards hampered irrigation, so some FBs refused to pay irrigation service fees (ISFs). Given the current ISF collection rate and the significant cost of repairing some damaged structures, it may be difficult for IAs to recover without external financing. A fourfold approach to this problem may be explored: (1) expanding IA capacity on fund sourcing, which may entail trainings/assistance on advocacy/lobbying for local government unit (LGU) support or on project proposal writing for non-governmental organizations (NGOs)/funding institutions; (2) reducing risk to natural hazards through crop insurance; (3) adopting resilient irrigation designs; or (4) adopting climate/weather resilient *palay* varieties.

6. The limited funds available for rehabilitation and restoration could not fully irrigate the FUSA of all CIS targeted under the Project. This may be a potential risk to the smooth operation of the IAs where farmers not reached by irrigation water supply will continue to be dissatisfied and create issues.

Innovation:

Describe any interesting innovation noted during supervision.

1. Noted during supervision were innovative training activities. These include the conduct of: (a) specialized training for IA officers per position (e.g., training for IA secretaries, treasurers, etc.); and (b) mentoring program or "on-the-job training" for O&M to assist IA members, during a specific period of time, to implement their O&M plans, and teach them how to properly fill-up the various O&M forms. It was also noted that during the "on-the-job training", the IMO supplies the IAs copies the necessary O&M forms to facilitate the training.

2. In Region VI, a system to encourage greater partnership between IAs and the Municipal Development Council was institutionalized thru an IA accreditation process which culminates with the passing of a council resolution for the accredited IA. Accredited IAs would be better positioned to access the 20% Municipal Development Fund for their O&M needs. As an example, with strengthened partnership with its municipal LGU, the Zaragoza IA in Antique is able to use the LGU's payloaders free of charge for its regular O&M. A similar accreditation process with the Provincial Development Council is being explored by the concerned IMO.

3. To strengthen its partnerships with IAs and to encourage greater participation in its projects and programs, the IMO of NIA Region VI started in August 2014 a weekly radio program which airs Tuesdays from 11am to 12nn featuring IMO anchors and guest IAs. The program features unstructured discussion on IAs' issues, concerns, and experiences, as well as NIA's plans and programs, and also encourages questions from listeners. The program will initially run until December 2014. Airtime is charged under the IMO's maintenance and other operating expenses.
