



Investing in rural people

Hashemite Kingdom of Jordan

Rural Economic Growth and Employment Project (REGEP)

Supervision report

Main report and appendices

Mission Dates: 17th September to 2nd October, 2016
Document Date: 12-Oct 2016
Project No. 1740
Report No: 4246-JO

Near East, North Africa and Europe Division
Programme Management Department

Contents

Abbreviations and acronyms	iii
A. Introduction	1
B. Overall assessment of project implementation	1
C. Outputs and outcomes	3
D. Project implementation progress	9
E. Fiduciary aspects	16
F. Sustainability	17
G. Other	17
H. Conclusion	17

List of Tables

Table 1: Criteria for Awarding Grants

Table 2: Specific Issues to be Included in the Project Implementation Manual

Table 3: The Expected Beneficiaries

Appendices

Appendix 1:	Summary of project status and ratings	19
Appendix 2:	Updated logical framework: Progress against objectives, outcomes and outputs	21
Appendix 3:	Summary of key actions to be taken within agreed timeframes	23
Appendix 4:	Physical progress measured against AWP&B, including RIMS indicators	29
Appendix 5:	Financial: Actual financial performance by financier; by component and disbursements by category	31
Appendix 6:	Compliance with legal covenants: Status of implementation	33
Appendix 7:	Knowledge management: Learning and Innovation	35

Abbreviations and acronyms

AWPB	Annual Work Plan and Budget
CBJ	Central Bank of Jordan
DEF	Development and Employment Fund
FFS	Farmer Field Schools
IFAD	International Fund for Agriculture Development
JEDCO	Jordan Enterprise Development Corporation
JEPA	Jordan Exporters and Producers Association for Fruit & Vegetables
JSMO	Jordan Standards and Meteorology Organization
MFIs	Micro-Finance Institutions
MOPIC	Ministry of Planning and International Cooperation
NCARE	National Centre for Agricultural Research and Extension
NAF	National Aid Fund
PIM	Project Implementation Manual
PMCU	Project Management and Coordination Unit
PPI	Progress out of Poverty Index
PSC	Project Steering Committee
REGEP	Rural Economic Growth and Employment Project
RIA	Research and Impact Assessment Division
RSS	Royal Scientific Society
SCGAs	Savings and Credit Groups and Associations
TA	Technical Assistance

A. Introduction¹

1. A Mission from the International Fund for Agriculture Development (IFAD) visited the Hashemite Kingdom of Jordan from September 17th to October 2nd, 2016 to undertake the first supervision of the Rural Economic Growth and Employment Project (REGEP). The overall goal of the project is the reduction of poverty, vulnerability and inequality in rural areas through creation of productive employment and income generating opportunities for the rural poor and vulnerable, especially youth and women. The total project cost is estimated at US\$17.13 million with a contribution from IFAD of US\$11.3 million of which US\$0.5 million is a grant and the rest from the Government, participating partners and beneficiaries. The Project was approved on December 13, 2014 and became effective on March 25th, 2015 with the first disbursement on March 31, 2016 and the expected completion on March 31st, 2021.
2. The objective of the mission was to review the overall performance of the Project and review management and implementation arrangements. The Mission had detailed meetings with the Project Management and Coordination Unit (PMCU) and all key implementing partners to assess the overall planning, technical assistance, coordination and monitoring and evaluation arrangements. The Mission examined progress achieved under each component, identified key constraints and made recommendations to facilitate the achievement of the overall project objectives. The Mission also reviewed arrangements for the implementation of the IFAD-FAO initiative on capacity development for the project.
3. The Mission worked in close collaboration with the Jordan Enterprise Development Corporation (JEDCO) which houses the PMCU and held detailed meetings with the project staff. The Mission met with the Ministry of Planning and International Cooperation (MOPIC), the Central Bank of Jordan (CBJ) the National Centre for Agricultural Research and Extension (NCARE), the Jordan Exporters and Producers Association for Fruit and Vegetables (JEPA), the Jordan Standards and Meteorology Organisation (JSMO), the Development and Employment Fund (DEF) and the Royal Scientific Society (RSS). The Mission also met with some of the NGOs and MFIs expected to participate in project activities and private sector firms dealing with export crops. The Mission undertook field visits to Ajloun, Jerash and Mafrq and met with potential project beneficiaries including women and youth.
4. This report reflects the Mission's key findings and recommendations which were shared with the Government at a wrap up meeting chaired by MOPIC on September 29, 2016 in Amman. While major recommendations have been agreed and discussed with the PMCU and all key implementing partners based on an Aide memoire presented to the Government.
5. The Mission would like to record its appreciation for the support and hospitality provided by the Government of the Hashemite Kingdom of Jordan and JEDCO in facilitating the Mission's meetings and field visits.

B. Overall assessment of project implementation

6. The Supervision Mission has rated the overall performance of the Project as **Moderately Satisfactory**. The PMCU has been established with a five-member team in place. All the key documents of the project such as its Annual Work Plan and Budget (AWPB), procurement plan and Project Implementation Manual (PIM) and Monitoring & Evaluation Manual have been prepared and approved. Initial start-up workshops have been held and information sharing workshops organized in the project Governorates in March and April 2016. The PMCU has recruited the RSS for the baseline study, the market study has been completed, most of the preliminary work for engaging the NGO for

¹ Mission composition: Mr Rami Salman (Country Programme Manager), Ms. Maliha Hamid Hussein (Mission Leader and Rural Development Specialist), Mr Saeb Khresat (IFAD Country Presence Officer); Ms Shazreh Hussain (Gender, Targeting and M&E Specialist), Ms. Wafaa El Khoury (Agriculture Specialist-IFAD), Ms Olga Tomilova (Rural Finance Specialist), Mr Malek Sahli (Financial Management Specialist) and Mr. Walid Dhouibi (Procurement Specialist). Ms. Romina Cavatassi and Ms Adriana Paolantonio from IFAD's Research and Impact Assessment Unit also joined the mission.

social mobilization has been undertaken and Terms of Reference for the Technical Assistance envisaged under the project have been developed. Subsidiary agreements have been signed with all key partners and approved by the Project Steering Committee (PSC) and IFAD.

7. However, the project has not yet initiated any activities on the ground. By the end of September 2016, around 25% of the project period had elapsed with 10% of the loan and grant funds disbursed and only 1% of its funds utilized. The delay in implementation has been a result of delay in securing appropriate staff for the PMCU. Further delay in initiating activities on the ground was a result of the structure of the design which stipulated that initial market studies would be used to identify the key crops for the value chain component prior to any work on the ground. This study has now been completed and an initial selection of crops determined through use of the study as well as the selection of target areas based on the criterion specified in the design. The main constraint in initiating the activities under the rural finance component was the approval by the cabinet of DEF's participation in the project which was granted at the end of August, 2016. The PMCU is now in a position to facilitate the initiation of field activities.

8. The Mission would like to stress that the value chain approach of the project should be emphasized in the implementation of all activities through close collaboration and inclusion of key players along the value chain and that the synergies between the two components should be encouraged through coordination and participation of NCARE, JEPA, JSMO, DEF and other partners at key stages of planning and refining the specific activities under the various components.

9. The Mission had concerns with some aspects of the project design such as the targeting approach and the identification of beneficiaries. The Mission was pleased to see that the PMCU had taken the lead in making the criteria much more appropriate to ensure the inclusion of smallholders, women and youth and had this approved by the PSC. The design of the project focuses on initiating internal lending activities by SCGAs. However, the Mission was concerned about the lack of an arrangement for the supervision and monitoring of the SCGAs by an external regulatory body in Jordan and advised caution in promoting internal lending from individual's savings to ensure the protection of the savings of members.

10. The Mission was also concerned about the value-added of including the large number of studies in the design and recommends that these be undertaken with caution and replaced with other activities if required during implementation. There is particular focus in the design on capacity building of the partners and target groups. Given the limited capacity of JEDCO to undertake these capacity building tasks, the Mission concurs with the approach taken by the PMCU of identifying all such activities, developing TORs for each and procuring the services of TA through an internationally recruited firm at the outset to implement these more effectively over the remaining project period. The Mission also suggested the recruitment of full time TA for the Rural Finance component. The procedure for the selection of the NGO for organizing SCGAs needs to be completed as soon as possible.

11. The Mission also reviewed the assistance planned for the project as part of the IFAD-FAO capacity building initiative and agreed with the decision to focus the FAO support on those aspects of the value chain component including support to NCARE in the updating of FFS manuals for the agreed target crops, support in undertaking the TOT, provide Technical Assistance to the PMCU for strengthening the monitoring and evaluation system, peer review of the market study, and review the TORs for the international Technical Assistance. It was agreed that these activities would be implemented prior to December 2016 when the IFAD-FAO initiative ends.

Agreed action	Responsibility	Agreed date
Complete the pending procedures for recruitment of the NGO for social mobilization, the Technical Assistance for capacity building and TA for assistance in the Rural Finance component.	Project manager/PSC	October 30, 2015
Ensure that all actions for facilitating the support under the IFAD-FAO initiative are in place to use this support before its closure in December 2016.	Project Manager	October 15, 2016
Review the value added of each study included in the project design prior to commissioning it during the implementation period.	PMCU/JEPA/NCARE/JSMO	On-going

C. Outputs and outcomes

12. **Component 1: Value Chain and Enterprise Development (US\$7.39 million).** The objective of the component is to integrate smallholder farmers in value chains and improve value chain efficiency and organisation; increase exports of high water value fruit and vegetables and create employment opportunities in rural areas. The initial groundwork for the activities has now been completed. The key input required to initiate the activities was the completion of the market study that would identify the relevant crops for the project Governorates, the selection of the NGO for mobilization of Savings and Credit Groups (SCGA), etc. All key implementing partners such as NCARE, JEPA and JSMO have signed agreements with JEDCO and are ready to initiate project activities. The progress on this component is rated as **Moderately Satisfactory**.

Subcomponent 1.1: Mobilisation, Capacity Building and Enterprise Development

13. **Activity 1.1.1: Saving and Credit Groups and Associations:** It is expected that the project will assist in the mobilisation and strengthening of new and existing Savings and Credit Groups and Associations. Establishment of internal savings and lending operations is expected to be a key focus of a majority of the groups. The scope of the project design in this regard with its focus on internal lending is too narrow and unlikely to be of interest to the women on its own. The Mission would like to suggest that these groups should be linked with the provision of grants from the project, business support, financial literacy training, including orientation into financial products and assistance in preparation of feasibilities for accessing project grants, administration of the Progress out of Poverty Index (See Targeting section), etc. The Mission recommends that the TORs of the selected NGO should include these aspects. An NGO especially contracted for the purpose is expected to identify and mobilise new and existing associations, including existing groups of farmers or groups graduating from Farmer Field Schools interested to establish formal associations. An expression of interest has been elicited from three NGOs and it is expected that the PMU will review these and issue a Request for Proposal and select the NGO before the end of December 2016.

14. **Activity 1.1.2: Farmer Field Schools and NCARE Capacity Building:** Based on the market study, review of secondary data and using the geographic targeting criteria for the selected Governorates, a preliminary list of crops has been identified which includes grapes, pomegranates, apples, olives, vegetables (tomatoes, baby cucumber, okra, etc.) and medicinal and aromatic herbs. These are likely to be the main focus of the Farmer Field Schools (FFS) which includes production, postharvest and processing aspects. However, the Mission recommends the confirmation of these crops or their refinement based on the market needs. This should be achieved through multi-stakeholder workshops and consultations with JEPA, NCARE, Agriculture Directorates, buyers and small-holder farmers, including women farmers. It is recommended that an initial national level workshop be organised as soon as possible to confirm the market demand and initial selection of crops to guide the development of the FFS curricula. Similar workshops should be held at the Governorate level on an on-going basis to plan the activities for each year.

15. The Mission also recommends an increase in the total targeted number of women farmers in FFS from 500 to 1000 beneficiaries within the original target of 5000 participants. The FFS will focus on production, post-harvest and processing activities for women. NCARE has committed to work with the Association of Agriculture Engineers to identify and train 25 women agricultural engineers from the 5 Governorates, thus building a cadre of women extension agents skilled in the FFS approach. Ten of these will be hired by the project to train the women. NCARE will initiate the training of the first FFS facilitators and the development of curricula for the identified target crops in cooperation with FAO in October 2016. Further training of facilitators for FFSs regarding processing activities will follow in the second and third quarter of 2017. NCARE will also be required to administer the Progress out of Poverty Index Survey to each of the participants to measure the impact of project activities over time (See Targeting section).

16. **Activity 1.1.3: Business Mentoring Support:** The PMCU has prepared manuals for the grant of the award under this activity. Guidelines and application forms have been prepared for inviting requests for support under this sub-component. To facilitate the coordination of the business mentoring support, the NGO strengthening and establishing new groups and associations and small entrepreneurs will also implement this activity. The NGO will prepare a work plan, the overall approach and methodology and identify the training and mentoring resources required to implement the activities under this sub-component. The Mission is pleased to see that 30% of the support has been allocated for women.

Subcomponent 1.1: Mobilisation, Capacity Building and Enterprise Development

Agreed action	Responsibility	Agreed date
Activity 1.1.1: Saving and Credit Groups and Associations: Select the NGO for Social Mobilization and broaden the scope of the TORs to include business support, mentoring and assistance in preparation of feasibilities for accessing project grants and provision of grants and the administration of the Progress out of Poverty Index Survey at the outset.	Project Manager/PSC	December 31, 2016
Provide grants and business mentoring support to the SCGAs.	Project Manager/PSC	On-going.
Activity 1.1.2: Farmer Field Schools and NCARE Capacity Building:		
Initiate the MoU with the Association of Engineers to identify the female agricultural graduates in the respective governorates to be trained as FFS facilitators to train women farmers.	Project Manager/ NCARE	By October 30th, 2016
Undertake a multi-stakeholder workshop with the participation of JEPA, NCARE, JSMO, DEF, potential buyers, smallholder farmers including women and the Agriculture Directorates at the national level for identification of market potential and fine-tuning of the selection of crops.	PMCU	By October 20th, 2016 for this year.
NCARE to administer the Progress out of Poverty Index at the outset to each FFS participant.	NCARE	At the start of each FFS.
Activity 1.1.3: Business Mentoring Support: Submission of work plan and approach by the NGO for delivering the activities under this component.	NGO	Immediate
Preparation of work plan, overall approach, targets by gender and training resources required for providing the support.	NGO	March 31, 2017

Subcomponent 1.2: Value Chain Upgrading (US\$2.13 million)

17. **Activity 1.2.1: Market Development, Promotion and Value Chain Linkages.** It is envisaged that this activity will be implemented by JEDCO in close collaboration with JEPA. This activity includes market studies to confirm the products and markets which the project should target and ad hoc studies each year focused on specific markets and products. JEDCO does not have in-house capacity to undertake the studies and will use the technical capacity of the International Technical Assistance firm which is expected to be on board by the first quarter of 2017 to work on a retainer basis. It is recommended that JEDCO discusses this activity in close coordination with JEPA and utilises their experience in the identification of the studies, their effective use and dissemination prior to commissioning any study. The suggested value chain multi-stakeholder workshops are expected to identify areas that may need further targeted studies which could be implemented under this subcomponent.

18. **Activity 1.2.2: Quality Standards and Post-Harvest Waste Reduction.** An agreement has been signed between PMCU and JSMO to provide technical assistance to farmers, farmers' associations, processors and exporters to obtain Global G.A.P certification. The Project Design Document and the PIM do not establish the criterion for selection of the participants from within these broad categories. It is important to choose participants for whom the training and certification has real value in improving their farming practices and enhancing their potential for the local high value and export markets. NCARE, JEPA, JSMO and the PMCU need to identify the criteria for selection of participants for JSMO training and certification separately and include it in the PIM. Those trained may not need immediate certification but could still use it to improve their farming practices whereas the certification would be provided to those who need it for placing their produce in specific markets and would be likely to renew it on an annual basis from their own funds. The identification of the target beneficiaries would be through lists provided by NCARE from the FFS participants, exporters from JEPA who are linked with smallholder producers, members of farmer's groups and associations identified by the social mobilization NGO and associations and farmer groups or farmers identified by the Agriculture Directorates in the target Governorates.

19. **Activity 1.2.3: Support for Value Chain Upgrading and Business Model Innovation.** The Mission reviewed the targets specified under this activity and made some suggestions regarding the allocation of the grants in line with the gender, poverty and youth focus of the project which is outlined in the table below. The specific criteria for qualification of individuals, groups or enterprises should be clearly identified building on the objectives outlined in the Project Design Document along with the process for approval of grant applications and should be included in the PIM after approval of the PSC and IFAD.

Table 1: Criteria for Awarding Grants

Purpose	Target Group	Age	Total Amount (USD)	Proportion of Support from total Fund	Average Grant (USD)	Beneficiary contribution (cash or in-kind)	Criteria
Poverty targeting: Support to agri-businesses /production	Poor women	< 60 years	392,000	26%	1000 to 1500	20%	<ul style="list-style-type: none"> Member of REGEP-supported Association /SCG PPI Score Income generating potential Agri-business Participation in FFS or entrepreneurship development training Not eligible for a loan from FSP and never borrowed from FSP before 15% awarded to youth (women and men) New loan applicants of FSPs (never borrowed from FSPs before) Equity/collateral constraints 1 FTE created per 5000 investment Creates jobs for target group Strengthens value chain Enable linkages of smallholder farmers to high value domestic and export markets Potential to introduce innovations in the target value chains
	373						
	Men 112	< 40 years	168,000	15%	1000 to 1500	20%	
Value chain strengthening: Upgrade businesses and introduce innovations	Women 16		200,000	15%	Up to 10,000 per project but not more than 25% of the total investment /project	25% of the total investment/ project	
	Men with priority being assigned to youth 64	< 60 years	600,000	44%			
TOTAL	453		1,360,000	Women 41%			

20. It is recommended that a detailed work plan should be prepared for implementation of this activity by the middle of 2017. All individuals, groups or associations should undergo a programme of training, orientation and business mentoring before they can qualify for the grant. The identification of the target beneficiaries would be through lists provided by NCARE from the FFS participants, exporters from JEPA who are linked with smallholder producers, members of groups, association and identified by the social mobilization NGO and associations and farmer groups or farmers identified by the Agriculture Directorates in the target Governorates.

Agreed action	Responsibility	Agreed date
Activity 1.2.1: Market Development, Promotion and Value Chain Linkages:		
Identification of targeting studies in support to specific value chains through the multi-stakeholder workshops in close collaboration with JEPA and the target beneficiaries that can add value to their productivity and incomes.	Project Manager	On-Going
Activity 1.2.2: Quality Standards and Post-Harvest Waste Reduction: Identify the criterion for selection of participants for JSMO training and certification separately and include it in the PIM	NCARE, JSMO, JEPA and the PMCU	October 31, 2017

**Activity 1.2.3: Support for Value Chain
Upgrading and Business Model
Innovation:**

Preparation of a detailed work plan by the NGO to administer the grants.	NGO Team	June 2017
The specific criteria for qualification for grants should be clearly identified along with the management and included in the PIM after approval of the PSC and IFAD.	Project Manager with Grants Committee.	By June 2017

Subcomponent 1.3. Knowledge Management, Learning and Policy Support (US\$0.37million)

21. The objective of this subcomponent is to encourage replication and scaling-up of successful project experiences. JEDCO is planning to use Technical Assistance for organizing the knowledge management and policy advocacy activities under this sub-component. It is expected that policy issues and lessons learnt would be identified through the discussions of the multi-stakeholder working groups, the implementation of FFS and market identification. It is expected that a detailed work plan will be developed by the TA team in the last two quarters of 2017. The agenda identified in the Project Design Document will be further elaborated and framed from lessons that emerge from project experience. No activities have been initiated under this sub-component so far.

Agreed action	Responsibility	Agreed date
Preparation of a detailed work plan for activities under this component	TA Team	Q3 and Q4 2017

22. **Component 2: Rural Finance (US\$7.27 million).** Aims to increase access to a range of appropriate financial products for the members of the target group, producers associations and rural MSMEs. In addition to providing finance the project aims to demonstrate the viability of the rural microfinance business and establish appropriate and scalable products and delivery mechanisms which enable lower cost access to finance, especially for agricultural production and post-harvest activities. This component was designed to be implemented by Development and Employment Fund (DEF) in partnership with a small number of competitively selected microfinance institutions. The performance under this component is rated as Moderately Satisfactory given that the preliminary approvals and arrangements are now in place.

Subcomponent 2.1: Rural Finance Fund (RFF) (US\$7.09 million)

23. The project will support the establishment of a US\$3.75 million Rural Finance Fund (RFF) to build its capacity to on-lend to MFIs. The fund will be managed by the DEF for: (i) on-lending to microfinance institutions providing small loans (<JD 2,000) to members of the target group; and (ii) for direct lending to rural MSMEs by DEF for larger loans (JD2,000 – JD 50,000). To establish and manage the Rural Finance Fund the project will provide capacity building support to DEF to upgrade its IT systems, and to build technical capability in appraisal, financing and supervision of rural SMEs. The Cabinet approval for participation of DEF in project activities was provided on August 25th, 2016. The next step is for the Subsidiary Loan Agreement (SLA) to be signed between MOPIC and DEF. PMCU should transfer funds from the advance to DEF as soon as all agreements are in place.

24. DEF has assigned a dedicated staff member as the coordinator for the project. However, it is recommended that DEF formally assign members from each of its key departments and the five Governorates to a committee within DEF who will take responsibility for implementation and providing financial information, audit reports, monitoring and evaluation information and provide monthly reports on the beneficiaries by gender, youth together with their National Identification numbers, loan amounts and key financial information. This notification should be issued by the DG (DEF) with a copy to REGEP. The CBJ has offered assistance to DEF through its other initiatives such as linking it to the Credit Bureau and other institutions where required. DEF will identify its needs which will be coordinated with a focal person at CBJ who has been nominated for the purpose.

25. The Mission was concerned about the lack of financial performance data which had been made available to it from DEF and recognizes that M&E is an area of particular weakness and recommends that this should be made a key part of the capacity building support provided to the Fund. DEF has

undertaken to improve its M&E systems for recording information on key financial performance indicators under the project on a regular basis including outreach by gender and socio-economic status, portfolio quality such as PAR over 30 days, write-off rate, financial sustainability, etc. DEF has also committed to reporting its financial performance indicators on the MIX market which it discontinued after 2012. The mission recommends that one full time Rural Finance Specialist be recruited and placed with DEF and short term technical assistance be procured by the PMCU to provide support to DEF to strengthen its systems, including lending policies and procedures, monitoring, and reporting. The Mission agreed with DEF that its performance to meet project objectives will be reassessed after a year in particular, its capacity to on-lend to MFIs.

26. **Microfinance Lending.** DEF should initiate the selection of partner MFIs through a Call for Proposals as soon as possible in close coordination with PMCU. The TA procured by the PMCU will work closely with the selected MFIs and facilitate and organize training, capacity building and other implementation support activities for the partner MFIs to ensure effective development and roll out of rural and agricultural lending products. Short-term TA will also be used to develop products that are suitable for the REGEP target group and take into account attributes of the target farmers, women, poorer households and youth as well as risk management and risk mitigation mechanisms used in rural and agricultural lending. A module for the implementation of this sub-component should be developed and included in the PIM. The module will elaborate the lending methodology, including loan types, tenor and lending terms. Each MFI will also be required to administer the Progress out of Poverty Index to each of the households provided loans from REGEP funds.

27. **SME Lending.** It is recommended that DEF initiate the lending from the initial allocation of US\$1.15 million to SMEs linked to the project. DEF and JEDCO should develop a module for inclusion in the PIM for this component which will elaborate the lending methodology, including loan types, tenor and lending terms especially given the objectives of REGEP, as well as risk management and risk mitigation mechanisms used in rural and agricultural lending for SMEs. Support of the Working Group envisaged under this component (see next section) can provide guidance for this purpose.

Subcomponent 2.2 Knowledge Management and Rural Finance Policy Support (US\$0.2)

28. The mission concurs with the PMCU's plans to use Technical Assistance for the implementation of this sub-component given that neither JEDCO nor DEF have the capacity to undertake the activities envisaged. It is recommended that this component should be closely coordinated with the Central Bank of Jordan which has established a working group for developing the financial inclusion strategy for the country. The members of this group include Tanmeyah, the Jordan Microfinance Network which is the formal representative of the microfinance institutions (MFIs) in the country. The CBJ has agreed to the inclusion of REGEP on the Working Group.

Agreed action	Responsibility	Agreed date
Subcomponent 2.1: Rural Finance Fund: Subsidiary Loan Agreement (SLA) to be signed between MOPIC and DEF.	MOPIC/DEF	By October 20th , 2016
DEF formally assign members from each of its key departments and the five Governorates to a committee within DEF who will take responsibility for REGEP	DG (DEF)	By end October 2016.
PMCU will facilitate the linkage between DEF and CBJ for capacity building needs.	PMCU/CBJ	Immediate
DEF to use the capacity building support to improve its staffing, lending policies and procedures, and M&E systems and report regularly on key financial performance indicators.	PMCU/DEF	On-Going
DEF to report its financial performance indicators on the MIX market.	DEF	Annually
PMCU hire a full time Rural Finance specialist to provide Technical Assistance to DEF for capacity building and short term TA as and when required.	PMCU/DEF	December 31, 2016.
Microfinance Lending: Finalize the selection of partner MFIs through a Call for Proposals as soon as possible.	DEF/PMCU	December 31, 2016
Develop a module for inclusion in the PIM for this component to elaborate the lending methodology, including loan types, tenor and lending terms especially keeping in mind the attributes of the target farmers and poorer households, as well as risk management and risk mitigation mechanisms.	DEF/TA	December 31, 2016.
Include in the MFIs TORs their administration of a Progress out of Poverty Index survey at the outset for each borrower household.	PMCU/DEF	Upon signature of agreements with MFIs.
SME Lending. Develop a module for inclusion in the PIM for this component which elaborates the lending methodology, including loan types, tenor and lending terms, as well as risk management and risk mitigation mechanisms.	DEF/TA	December 31, 2016.
Subcomponent 2.2 Knowledge Management and Rural Finance Policy Support: Procure TA to assist in implementation of this component.	PMCU	December 31, 2016
Join the existing CBJ Working Group on National Financial Inclusion Strategy which includes key sector leaders.	PMCU	January 31, 2016

D. Project implementation progress

29. **Quality of Project Management.** This aspect is rated as **Satisfactory**. The Mission was impressed with the current leadership of the PMCU and would like to acknowledge the considerable preparatory work that has been done to ensure that the implementation arrangements for the project are in place. The PMCU now has a staff strength of five full time staff and two part time professionals from JEDCO who manage the procurement and financial management aspects. The supervision mission reviewed the terms of reference of the PMCU staff to ensure that the responsibility of each

activity under the various sub-components was properly assigned to ensure effective planning, coordination and oversight. For this purpose a specific matrix was prepared and the Project Manager now needs to ensure that each staff member's TORs include the tasks expected from them and that any lack of clarity in the TORs should be rectified. The staff should be actively deployed in implementation and undertake field visits to meet with potential target group and obtain their feedback. A full time person is to be recruited to provide TA for the Rural Finance component. The Mission concurs with the PMCU suggestion of inclusion of MOPIC in the Technical Coordination Committee established to oversee project progress. The Mission also recommends that the PIM should be revised to include the modules required for effective implementation of each sub-component. A consolidated list of additions to be made is given in the matrix below.

Table 2: Specific Issues to be Included in the Project Implementation Manual

Component 1: Value Chain and Enterprise Development			
Sub: Component	Activity	Specific aspect to be incorporated in the PIM	Suggestions of the SM
Subcomponent 1.1: Mobilisation, Capacity Building and Enterprise Development	Activity 1.1.1: Saving and Credit Groups and Associations	<ul style="list-style-type: none"> The criteria for the selection of groups and associations who will be given support for strengthening. The proportion of women and youth who will be organized. The approach for identifying the individuals, groups and associations that will qualify for institutional strengthening. The process for accessing this support and the approving authority. The type of support that will be provided. The implementing arrangements. 	<ul style="list-style-type: none"> These groups should be linked with the provision of grants from the project, business support, financial literacy training, including orientation into financial products and assistance in preparation of feasibilities for accessing project grants, etc. The NGO selected for organizing the Groups should also be responsible for providing business mentoring support and the grants to these groups.
	Activity 1.1.3: Business Mentoring Support	<ul style="list-style-type: none"> The criteria for the individuals and associations who will qualify for the business mentoring support. The proportion of women and youth who will get this support. The approach for identifying the individuals, groups and enterprises that will qualify for business mentoring support. The process for accessing this support and the approving authority. The value of support to be granted to each participant. The agencies that will provide this support. 	<ul style="list-style-type: none"> Provide this as a priority to those groups and associations that are organized under the project. Give the responsibility for implementation to the NGO organizing the groups and associations.
Subcomponent 1.2: Value Chain Upgrading	Activity 1.2.2: Quality Standards and Post-Harvest Waste Reduction	<ul style="list-style-type: none"> The approach of identifying the individuals, groups and enterprises that will qualify for the Global Gap Training and Certification. The criteria for the individuals and associations who will qualify for the Global Gap Training. The criteria for the individuals and associations who will qualify for the Global Gap Certification. The process for accessing this support and the approving authority. 	<ul style="list-style-type: none"> Make a distinction between the Global Gap Training and Certification.
	Activity 1.2.3: Support for Value Chain Upgrading and Business	<ul style="list-style-type: none"> The approach for identifying the individuals, groups and enterprises that will qualify for the grants. 	<ul style="list-style-type: none"> Provide this as a priority to those groups and associations that are organized under the project. Training and orientation should

	Model Innovation.	<ul style="list-style-type: none"> The criteria for the individuals and associations who will qualify for the Grants. The process for accessing this support and the approving authority. The value of support to be granted to each grantee. 	<p>be a pre-requisite prior to providing the grant.</p> <ul style="list-style-type: none"> The criteria should include the employment generation potential of the grant, the number of people likely to benefit and the income enhancing potential and the backward and forward linkages created along the value chain. Dedicate a proportion to women and youth.
Component 2: Rural Finance			
Sub: Component	Activity	Specific aspect to be incorporated in the PIM	Suggestions of the SM
Subcomponent 2.1: Rural Finance Fund	Micro-lending	<ul style="list-style-type: none"> A module for the implementation of this sub-component should be developed and included in the PIM. The module will elaborate the lending methodology, including loan types, tenor and lending terms. 	<ul style="list-style-type: none"> Provision of beneficiary feedback especially women and youth in designing products should be part of the methodology. Provision for informing beneficiaries about the availability of loans as part of business mentoring support and requiring MFIs to present their products to REGEP target group.
	SME Lending	<ul style="list-style-type: none"> A module for the implementation of this sub-component should be developed and included in the PIM. The module will elaborate the lending methodology, including loan types, tenor and lending terms. 	
Targeting Strategy			
Sub: Component	Activity	Specific aspect to be incorporated in the PIM	Suggestions of the SM
		<ul style="list-style-type: none"> The definition and description of the Target groups. The target number for each activity including financial allocations. Inclusion of the poverty and Gender matrix for each activity. The administration of the Progress out of Poverty Index by NCARE, NGO and MFIs for all beneficiaries selected for FFS, members of groups and borrowers. 	Use the Progress out of Poverty Index questionnaire customized for Jordan.

30. **Performance of Monitoring and Evaluation:** In this respect the project is rated as **Moderately Satisfactory:** An M&E Officer has recently been hired as the first incumbent left the post. The M&E manual has been prepared and report formats for partners are in process. There is need for further IFAD guidance and orientation in finalizing and tracking the Log-Frame and RIMS indicators and designing an MIS system with the capacity to track the beneficiaries through their unique IDs and geo-referencing of all project beneficiaries. Short term TA will be required to assist the M&E Officer in designing the MIS system. The mission recommends that REGEP incorporate the Progress Out of Poverty Index into the M&E system to record information on poverty levels of beneficiaries to be administered by the selected NGO, NCARE and MFIs and these aspects to be included in their TORs. The Royal Scientific Society (RSS) has been engaged to undertake the baseline survey in the five target Governorates with a sample size of 1500. The mission met with the RSS and suggested that in order to enhance the statistical significance of the findings at the Governorate level and yield results with a 95% level of confidence, the sample size should be increased to a minimum of 384 households per Governorate. The mission would also like to suggest that factors such as the source of irrigation water should be incorporated in the analysis as a key variable.

31. REGEP has been selected for ex-ante impact assessment by IFAD. Two representatives from IFAD's newly established Research and Impact Assessment (RIA) Division had joined the mission to specify the data collection needs for the assessment and assess if the baseline survey could be used for the purpose. RIA representatives strongly recommend that the fieldwork for the baseline survey be postponed until all the elements needed for sample selection are clear and a proper sample that can be tracked over time can be selected. RIA representatives also recommended that the survey questionnaire should be broad enough to cover all main indicators needed to measure project's impact. If the timeframe of the contract already raised with RSS allows, RIA team will work in close collaboration with RSS to provide technical assistance for questionnaire design, sample size calculations, and technical backstopping. Otherwise, the RIA team will undertake a separate baseline survey once all the needed elements for sample selection and questionnaire formulation are available. In the first case, if a budget revision is necessary for the baseline survey as envisaged by a larger sample size and a broader questionnaire, the RIA team is willing to contribute to cover the additional funds needed. The RIA representatives agreed with the PMCU that the decision on the above matter will be taken by September 30, 2016.

32. **Coherence between AWPB and implementation:** The project is rated as **Moderately Unsatisfactory** in this aspect. The project had prepared a detailed AWPB but due to delay in the initiation of activities a new AWPB has to be developed to cover the remaining three months of the current year and for the next calendar year. The Mission assisted in the preparation of this task which will need to be finalised by the PMCU in collaboration with its key partners.

Agreed action	Responsibility	Agreed date
Project Management: Ensure that the PMCU allocates clear responsibility for each activity to a staff member for proper coordination and oversight and includes this in the TORs.	Project Manager	October 15, 2016
Oversight: MOPIC to be included in the Technical Coordination Committee established to oversee project progress.	PSC	Immediate
PIM: Modify the Project Implementation Manual to include the specific aspects identified above.	PMCU	31 st March 2017.
Monitoring & Evaluation: Finalize M&E system by accessing technical assistance to align indicators with refined targeting criteria and design an MIS with the capacity to track each beneficiary through their NID.	Project Manager and M&E Specialist/FAO.	By March 25, 2017
Include Progress out of Poverty Index Survey in the Tors of the NGO, NCRAE and MFIs and DEF.	PMCU	On hiring each service provider.
Coherence Between AWPB and Implementation: Revise the AWPB for the next 15 months and develop a procurement plan consistent with it.	PMCU	November 30, 2016

33. **Effectiveness of Targeting approach:** The project is rated as **Moderately Satisfactory**. The project design report has a strong focus on poverty and gender in its targeting approach. However, it has not taken the ground realities in Jordan sufficiently into account in specifying the target group of the project or stipulating criteria for beneficiary selection. The target groups in the PDR have not been adequately described or differentiated in terms of their socio-economic and agricultural characteristics. The PDR directive of 75 percent of beneficiaries to belong to the target group described as Type 1 and Type 2 households and to limit participation of Type 3 households to 25 percent is clearly unrealistic. Type 1 category comprises households with no income and no employed or economically active family member. The Type 1 are categorized as relying exclusively on the assistance from the National Aid Fund (NAF)² are unlikely to have the capacity to participate in activities related to the value-chain component or rural finance and at best may be able to benefit from employment generated by project activities. This is particularly true as 70 percent of the 90,000 NAF beneficiaries are elderly or suffer from a disability. Household Type 2 comprises “those who earn but have insufficient incomes including the working poor, small-holder farmers practicing mixed farming, agricultural wage labour and micro-entrepreneurs. Household Type 3 comprises “entrepreneurial farmers, specialised with irrigated and protected production, mixed smallholder farmers or involved in small-scale part time commercial agriculture, including women who may be members of associations processing and selling traditional products. The target group described as Household Type 2 and Type 3 are possible project beneficiaries. However, the agricultural characteristics of these groups are not sufficiently described and there is a paucity of information on the livelihoods, constraints and opportunities for women. All three categories are described as being “likely to have large households with a high dependency ratio, male members who are unwilling to undertake low-skilled work and female members who are not willing or not permitted to work outside the home.” The PDR further specifies an average land holding of less than 20 hectares (200 dunums) in Highlands and 5 hectares (50 dunums) in Jordan Valley as the criteria for selecting smallholder farmers. In fact, this range goes far beyond the landholdings of small farmers and makes large farmers eligible for project activities.

34. The geographic criteria for beneficiary selection stipulated in the PDR are problematic as well. The PDR stipulates the allocation of beneficiaries by Governorate as follows: approximately 46 per cent from Mafrq, 9 per cent Ajloun, 12 per cent Jarash, 25 per cent from AlBalqa and 8 per cent from Madaba. It would be challenging for the project to have nearly half the beneficiaries come from Mafrq as this is an area where, although on record land is divided into smallholdings, in fact, the majority of farming units belong to large farmers. Poor households focus on livestock for their livelihoods and the project does not include support for livestock value chains although it would be possible for it to support processing of livestock produce. As the governorates selected are already among the poorer and more rural governorates of Jordan, the project, while keeping equity in view, needs more flexibility to distribute its beneficiaries for different services between the governorates, based on the primary criteria of working with smallholder farmers and the demand for project services.

35. The PDR also specifies that women and youth will comprise 50 per cent of the beneficiaries and an average age of beneficiaries under 40 years of age with a specified quota for those under 30 years old. The focus on youth is commendable but given the national statistics on youth unemployment (double the national average), poverty levels of youth constitute 70 per cent of the poorest quintile) and the reluctance of youth to work in agriculture, the under 40 years average age for all project activities as a mandatory condition needed to be reviewed for activities such as Farmer Field Schools, loans, value chain upgrading. Similarly, the 50 per cent share of women in most activities is commendable but given the rates of women’s participation in entrepreneurship and agriculture in Jordan, the targets set by the PDR are unrealistic.

36. The PMCU took the initiative to make the original criteria given in the design more realistic and made the following recommendations to the Project Steering Committee (PSC) : the age criteria to be revised to under 50 rather than under 30 years of age; the age limit for farmers to be extended to 60 years; small farmers to be re-defined as those having 5 – 20 dunums of land and women’s share to be revised downwards to 30 percent. The changes were approved by the Project Steering Committee with the understanding that the project would retain flexibility to make some adjustments if required during implementation.

² The National Aid Fund (NAF) provides cash support to a variety of groups such as the poor, elderly, divorced women, families taking care of orphaned children (below 28 years old), families with disabled persons, etc.

37. The Mission would like to commend the efforts of the PMCU in refining the targeting approach to reflect ground realities and sharpen the poverty focus. The PMCU has increased the poverty focus of the project by reducing the land-holding for eligible beneficiaries from 5 to 20 hectare in the PDR to 0.5 ha to 2 ha (5 – 20 dunum). Simultaneously, the project has made the criteria more realistic and flexible. In terms of targeting youth, the age-limit has been made flexible while the youth focus has been retained by prioritizing youth (< 40 years of age) for nearly every activity with < 30 years fixed as priority for SCGs and associations. In keeping with the design, households receiving grants from the National Aid Fund (NAF) will also be prioritized for each activity. The mission recommends that women who have been allocated a 30% share in all activities should also be prioritized. The mission is cognizant of the presence of vulnerable and poor Syrian refugees in project target areas, especially Mafraq. However, the project stipulates Jordanians as its target group and therefore will not be able to work with the refugees directly unless additional grant financing is secured to expand the target group.

38. The Mission reviewed the total number of beneficiaries to be served by the project as given in the Project Design Document and the changes made to it by the PSC. The current table on the number of expected beneficiaries and their categorization by type, gender and age is given below. The overall number of beneficiaries has increased slightly from 22,816 in the original PDR to 22,860 due to reduction in the size of the grants. The number of women beneficiaries has decreased from the original 42% to 33% currently. The number of women beneficiaries was revised downwards by the PSC as it was thought that the original targets were unrealistic given the low rates of women's participation in entrepreneurship and agriculture in the country. The mission would like to suggest that the original number of women for micro-lending and business mentoring support should remain as given in the original PDR. These revised numbers are to be incorporated in the revised log-frame to fix project targets under the various components. However, some of the targets may be subject to further revision in coordination with the implementing partners due to the delay in the initiation of activities.

Table 3: The Expected Beneficiaries

Activities	Beneficiaries	Beneficiaries				Priority to be assigned to the following groups
		Total	Women	Men	Age	
SCGs/ Associations	Members	7000	2100	4900	< 50	NAF recipients and < 30 years
SCGs Internal Lending	Members	2733	820	1913	<50	NAF recipients and < 40 years
Farmer Field Schools	Small holders	5000	1000	4000	< 60	NAF recipients and < 40 years
Business Mentoring	Employees	3000	1500	1500	< 50	NAF recipients and < 40 years
Value Chain Upgrading Grant	Entrepreneurs /small-holders	80	16	64	< 60	NAF recipients and < 40 years
Business Model Innovation Grant	Entrepreneurs /small-holders	373	261	112	< 60	NAF recipients and 15 % < 40 years
Microfinance	Clients	4100	1640	2460	< 50	To be decided by DEF/MFIs
SME Finance	Employees	574	172	402		
		22860	7509	15351		

39. The Mission expects that the project will use the Progress of Poverty Index to assist in sharpening its poverty focus and specifying the beneficiary characteristics over time. The mission recommends that a Targeting and Gender Matrix specifying criteria /actions to be taken to maintain focus on REGEP's target group for each activity should be developed and shared with partners. It also recommends that the Field Supervisor in the PMCU should be given specific responsibility to disseminate and track project activities on gender, youth and poverty and obtain regular reports on beneficiary feedback and submit these to the PMCU.

Agreed action	Responsibility	Agreed date
Detail the description of the target group and beneficiary eligibility criteria	Project Director	November 30, 2016
Update PIM to reflect changes in beneficiary eligibility criteria and quotas	Project Director	On-going
Develop a Gender and Targeting Matrix for REGEP	Project Director and Field Supervisor	January 1, 2017
Incorporate responsibility for tracking REGEP's Gender and Targeting Strategy in Field Supervisor's TOR	Project Director	October 30, 2016
Brief partners on gender and targeting strategy in M&E workshops with partners	M&E Officer and Field Supervisor	By March, 2017

40. **Gender focus:** The project is rated as **Satisfactory** in its gender focus. The majority of staff in the PMCU is women and the Project Director and her staff have a strong commitment to mainstreaming women in the project. There is considerable emphasis on the inclusion of women in the overall design. The design envisioned a 50% share of women in all activities with the exception of FFS (10% share) and SCGs internal lending (73 % share). In view of national statistics on women's participation in agriculture and enterprise, the PMCU obtained approval for revising the quota for women in project activities to 30 per cent. The Mission recommends that the 30 per cent share for women in project activities should be considered as the minimum and women should be prioritized for each activity in addition to youth and receivers of NAF assistance. The project should strive for 50 per cent share of women in activities such as micro-finance and business mentoring. In allocation of grants for innovations and pilot businesses, the mission recommends that a minimum of 41% of the funds available for upgrading agri-businesses and business innovation should be reserved for women. In FFS, a core activity of the project, the Mission, in close collaboration with the PMCU, agreed to double women's participation. In addition, a cadre of young women will be trained as Farmer Field School facilitators for the first time in Jordan. All TA recruited for the project should include in their TORs the responsibility for enhancing the participation and relevance of project activities for women. The mission further recommends that REGEP assess the possibility of targeting poor women-headed households for support in business mentoring and provision of grants for businesses through coordination with NAF.

Agreed action	Responsibility	Agreed date
Assess scope for targeting women-headed households for business mentoring support and grants for business.	Project Director	November 30, 2016
All TA recruited for the project should include in their TORs the responsibility for enhancing the participation and relevance of project activities for women.	Project Director	On-going

41. **Poverty focus:** The poverty focus is rated as **Moderately Satisfactory**. The mission noted that in the design there is a disconnect between the target groups, eligibility criteria and quotas on the one hand and the project components on the other. In terms of beneficiaries the project designates the poorest of the poor and poor farmers as constituting 75 per cent of beneficiaries. Women and youth constitute 50 per cent of beneficiaries. However, the project components, Value chain and enterprise development and rural finance are not interventions that the poorest of the poor or the poorest

farmers can access. The Mission recommends that criteria for specific activities should be further detailed. The mission recommends that the poverty focus in the value chain upgrading and business model innovation grants should be enhanced by reserving 41% of the total amount for poor women, men and youth and placing a ceiling of \$10,000 per project for the larger grants. The M&E system will be collecting data disaggregated by poverty level, age and sex to monitor targeting performance.

42. **Innovation and learning:** The project is expected to generate significant innovation and learning. Given that the field activities have not yet been initiated it is too early to comment on these aspects at the present moment. However, if there is to be any innovation under REGEP this requires that the implementing partners are willing to be flexible, respond to the needs of the target group and not be afraid to experiment.

E. Fiduciary aspects

43. **Financial management.** The overall, financial management is rated as Satisfactory. The Financial Management (FM) Unit of JEDCO is in charge of REGEP budgeting, accounting, maintaining internal controls, preparation of withdrawal applications, execution of payments, financial reporting and ensuring compliance with external and internal audit requirements. During its review, the Mission identified areas where financial management practices could be further improved and any associated risk mitigated. The mission notes a clear and sufficient level of segregation of duties and authorization with regards to financial transactions. The accounting software used is QuickBooks which offers a wide scope of functions including budget monitoring, accounting and financial reporting. All assets are properly registered and recorded in the specific system used by JEDCO to monitor fixed assets through the generation of an automatic serial number, code tagging and on time GPS monitoring of vehicles. The accounting and financial data is password protected and backed up on daily basis onto JEDCO's servers. The PMCU will prepare its annual financial statements in accordance with the IFRS and prepare and submit to IFAD Quarterly Interim Financial Reports (IFRs) which will include a cash statement, a summary of expenditures by category, component and financier and a cash forecast of the next quarter.

44. Considering QuickBooks technical capacities, the mission agreed with the Finance Manager that the contribution in kind and in cash of different co-financiers and beneficiaries will be monitored and disclosed in the financial reporting and financial statements to be audited. The software also has the capacity to monitor the micro finance activities at the level of the target beneficiaries and manage the transactions in different currencies. It was agreed that the financial flows of the Rural Finance component would also be monitored using the tools available within QuickBooks.

45. **Disbursement.** The disbursement rate is assessed as **Moderately Unsatisfactory**. The project is one year and 5 months into implementation, with a disbursement rate of 9.7% equivalent to SDR 745,799 (equivalent to USD 1, 048,500). As of September 26,2016, the disbursement covered only the staff costs representing only 1% of the initial deposit received.

46. **Counterpart funds.** As the project has not yet started its field activities, the counterpart funds are not yet being monitored or being recorded in the accounting system. However, the financial team has set up a system to record the contributions of the different counterparts.

47. **Compliance with loan covenants.** The compliance with the loan covenants is **Satisfactory**. The details with regards to the status of implementation and compliance with Project Financing Agreement covenants will be detailed in the Supervision Report.

48. **Procurement.** The review determined that the procurement performance of the PMCU is Moderately **Satisfactory**. The project is following the national and JEDCO regulations and control systems. The procurement decisions are generally of good quality and made in a transparent manner, however, following national regulations is not in line with the design assessment and should be addressed. It was made clear to the project team that the IFAD procedures should be used in the procurement process. Key procurement records and documents (the procurement plan, Requests for Expressions of Interest letters, bid opening minutes, bids, bid evaluation reports, IFAD's No Objection, etc.) are being maintained at JEDCO. The PMCU has the capacity to meet IFAD's reporting requirements. However, since this is the first IFAD-financed project to be implemented by JEDCO, the PMCU members have expressed a need for additional capacity building and coaching by IFAD on its specific procurement procedures. The Mission provided the PMCU with some guidance to establish a tentative schedule for the next procurement steps for key activities and expedite the related

procurement processes. In addition, the mission has shared with the PCMU templates of standard evaluation reports for the shortlisting and the technical and financial evaluations of proposals for consultancy services. The Mission also organized a short orientation and training session on procurement.

49. **Audit.** JEDCO has an internal audit function in place which reviews the quality of procurement and expenditure processes at JEDCO's level and EU projects implemented by the agency. Addition to that, the National Supreme Audit Institution (SAI) has a permanent team at JEDCO offices to supervise the procurement and payment internal control systems. It was agreed with both units that from 2017 REGEP's activities and transactions will be part of their annual work plan. Quarterly IFRs will be subject to a prior review of internal audit unit and SAI team before submission to IFAD. Considering the low level of implementation and use of funds as of end of December 2015, IFAD allowed the project to submit a joint first audited financial statements for the period covering the transactions of FY 15 and FY16. It was agreed with the project's team that an external private audit firm will be appointed using International Standards of Auditing (ISA) and IFAD audit guidelines. The Terms of Reference for the External Audit will be prepared by the project and submitted to IFAD for review and clearance. The Mission recommends that the PCMU give priority to the external auditor's appointment.

Agreed action	Responsibility	Agreed date
Financial Monitoring: Finalise the configuration of budget and activity details in QuickBooks	Finance Manager/Accountant	November 30,2016
Set up a clear criteria and cost drives for contribution of all partners in kind and in QuickBooks.	M&E responsible/Finance Manager/Project Manager	November 30,2016
Procurement: Update the procurement plan in compliance with the revised AWPB.	PCMU	On-Going
Audit: Prioritise the hiring of an External Auditor in accordance with IFAD guidelines.	Finance Manager/Project Manager	November 30,2016
Audit report including management letter for 18 months to be submitted to IFAD.	Finance Manager/Project Manager	not later than 30 June 2017

F. Sustainability

50. It is too soon to assess the sustainability of the Project activities as there is nothing on the ground. However, the focus of the project on capacity building of individuals and institutions gives confidence that the project investments are likely to be sustainable.

G. Other

51. **Risk Assessment.** The mission found that due to the heightened insecurity and instability in the region some of the traditional transit routes and markets available for the agriculture produce from Jordan are no longer available. This represents a significant risk for the project which is likely to present additional challenge in the implementation of project activities. The regulatory environment for microfinance is also undergoing some changes with a new microfinance by-law which came into effect in June 2015 which requires MFIs to meet minimum capital requirements and puts them under the supervision of the CBJ. While it is not clear how many of the MFIs will be able to qualify under the new regulation it is expected that those likely to be interested in participating in the project will be able to meet the requirements.

H. Conclusion

17. The Mission was pleased to see that all the preliminary arrangements for initiating the field activities are now in place and expects that the PCMU will begin its field activities in collaboration with its partners as soon as possible. There were several aspects of the project design which were further elaborated and refined in discussions with the PCMU and implementing partners. NCARE is well poised to begin its FFS activities immediately with technical assistance from FAO. The Mission would like to urge that the selection of the NGO for

social mobilization and the international technical assistance be undertaken as soon possible to initiate the organization of women's groups and the initiation of the capacity building activities envisaged as part of design. The Mission hopes that the subsidiary financing agreement between MOPIC and DEF is executed within the next week to enable DEF to initiate its direct lending activities and the micro-lending programme through the selection of MFIs. The Mission believes that it is critical that these activities begin as soon as possible otherwise it will be difficult for the project to effectively implement the activities in the remaining period and meet its intended objectives

Appendix 1: Summary of project status and ratings

I. Project 1740 [1100001740] Rural Economic Growth and Employment Project

Basic Facts

Country	Jordan	Project ID	1740 [1100001740]	Loan/DSF/Grant/ASAP FI No.	2000000781, 2000000782
Project	Rural Economic Growth and Employment Project			Top-up Loan/DSF/Grant/ASAP FI No.	
Date of Update	24-Sep-2016				
Supervising Inst.	IFAD				
No. of Supervisions	1	No. of Implementation Support/Follow-up missions	3		
Last Supervision	17 th Sep-2016	Last Implementation Support/Follow-up mission	19-Aug-2016		

				USD million	Disb. rate %
Approval	13-Dec-2014			Total financing	15.18
Agreement	25-Mar-2015	Effectiveness lag	3.4	IFAD Total	11.34
Entry into force	25-Mar-2015	PAR value	-----	IFAD loan	10.84
First disbursement	31-Mar-2016			DSF grant	
MTR		Last amendment		IFAD grant	0.50
Original completion	31-Mar-2021	Last audit		ASAP grant	0.00
Current completion	31-Mar-2021			Domestic Total	3.84
Current closing	30-Sep-2021			Beneficiaries	0.60
No. of extensions	0			National Govern	1.43
				Dom. Fin. Inst.	1.81
				External Co-financing Total	

Project Performance Ratings

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

The PMCU has been established with a five-member team in place and all the key documents of the project such as its Annual Work Plan and Budget (AWPB), procurement plan and Project Implementation Manual (PIM) have been prepared and approved. All preliminary arrangements for recruitment of service providers are in process. Subsidiary agreements have been signed with all key partners. The M&E officer is new and the M&E system needs to be established with TA support and needs to be coordinated with the implementing partners. The AWPB was prepared but due to the delay in implementation most of the scheduled activities have not yet been undertaken. The Gender and poverty focus of the project were strong at design but some of the rigid criteria has been made more flexible and realistic with greater inclusion of women in the various sub-components. The targeting approach has been sharpened. There is limited innovation and learning emerging from the project at this point but key lessons are expected to emerge. The climate and environment focus of the project is expected to be maintained through ensuring the efficient use of the limited resources especially water.

B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Value Chain Development	4	4	1. Institution building (organizations, etc.)	4	4

2. Rural Financial Services and Community Development	4	3	2. Empowerment	4	4
			3. Quality of beneficiary participation	4	4
			4. Responsiveness of service providers	4	4
			5. Exit strategy (readiness and quality)	4	4
			6. Potential for scaling up and replication	4	4

B.5 Justification of ratings: Field activities have not been initiated as yet although the preliminary arrangements for undertaking the work is now in place. There is limited information to report on sustainability at this stage but it is expected that the project will enhance sustainability of the participating institutions because of its focus on capacity building. The project is expected to lead to the empowerment of smallholder farmers, women and youth through building the capacity of their institutions and enhancing their access to business mentoring services, markets and finance. It is too early to report on the quality of beneficiary participation, responsiveness of service providers, the exit strategy or the potential for scaling up and replication.

Overall Assessment and Risk Profile

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

Rationale for implementation progress rating: Too early to report on these aspects.

C.5 Likelihood of achieving the development objectives (section B3 and B4)	4	4
--	---	---

Rationale for development objectives rating: Not possible to comment on this at this stage.

C.6 Risks <i>Short description of major risks for each section and their impact on achievement of development objectives and sustainability</i>	
Fiduciary aspects	The project staff need guidance on IFAD procurement procedures to ensure that they follow the prescribed procedures.
Project implementation progress	Project's implementation is behind schedule and needs to be accelerated.
Outputs and outcomes	Project's implementation is behind schedule and needs to be accelerated. The insecurity and instability in the region has limited the access of Jordan exports to the region and to their traditional markets in Russia, Hungary, etc. which is likely to negatively impact the project impact. The capacity of DEF and the MFIs to reach the smallholder farmer, women and youth depends upon the extent to which they are able to develop loan products of relevance to them and the cost of delivery.
Sustainability	Needs to be examined as implementation progresses.

Additional observations

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

Results Hierarchy	Indicators					Means of Verification			Assumptions
	Name	Baseline	YR1	Mid-Term	End Target	Source	Frequency	Responsibility	
Goal: Rural poverty, vulnerability and inequality contained and reduced. (from PRS 2013-2020)	▪ % of HHs with improvement in asset ownership index	-	-	-	20%	RIMS baseline and impact survey	Baseline and Completion	M&E officer	<ul style="list-style-type: none"> Security setback due to unpredictable situation in neighbouring countries (R) Stable macroeconomic context (A)
	▪ % of HHs with improved food security	-	-	-	15%				
	▪ % of rural poverty and vulnerability in target areas	26.1	-	-	23.5%	Baseline and impact surveys, DOS and NAF	Baseline and Completion	M&E officer	
Development Objective: Employment and income generating opportunities created for rural poor and vulnerable, especially youth and women (from PRS 2013-2020).	▪ Number of FTE employment opportunities created (RIMS 2.5.1)	-	2467	4955	9000	Project Monitoring reports	Annually	M&E officer, DEF and JEP A	
	▪ % increase in beneficiary HHS' incomes	-	-	-	20%	DOS	Baseline and Completion	M&E officer	
Outcome 1: Technical capacity and competitiveness of smallholder farmers and rural MSMEs enhanced	▪ Increase in crop value/unit of water	0.46	-	-	0.55	DOS	Baseline and Completion	M&E officer	Agents & collectors opposed to direct linkages between producers and processors (R)
	▪ % increase in farm gate value of sales for smallholders	-	-	-	20%	Trade statistics and Project M&E system	Baseline, Mid-term and Completion	M&E officer	
	▪ % increase in value of sales for supported MSMEs/group	-	-	-	30%				
Outputs: 1.1 Capacity of smallholders and rural MSMEs enhanced 1.2 Fruits and vegetables value chain upgraded 1.3 Policy support provided	▪ SCGs/ associations formed/ strengthened (50% women)	-	50	200	350	Project Monitoring reports	Quarterly	M&E officer	
	▪ Smallholders participating in FFS	-	1000	3000	5000	NCARE reports	Quarterly	Field officer and NCARE	
	▪ Groups/MSMEs benefit from business mentoring	-	50	300	600	Business plans and progress reports from MSMEs and PAs	Quarterly	JEP A	
	▪ Smallholders engaged in contract farming	-	0	800	2000	JEP A monitoring reports	Quarterly	JEP A	
	▪ Amount of disbursements for value chain upgrading investments	-	-	-	\$1 m	Project Monitoring reports	Quarterly	Finance Manager	
	▪ Amount of disbursements for business model innovation	-	-	-	\$360,000				
	▪ Global GAP certificates issued (50% to groups of farmers)	-	30	90	150	JSMO reports	Annually	JSMO	
	▪ Value chain working group established and operating	-	1	1	1	Meeting reports	Annually	M&E officer	
	▪ Policy briefs prepared and disseminated	-	0	1	6	The M&E system	Annually	M&E officer	
	Outcome 2: Access to sustainable and timely rural	▪ Improved access of poor to financial services (RIMS 2 nd level)	-	-	-	5	MFIs and DEF reports	Annually	DEF and M&E officer

Results Hierarchy	Indicators					Means of Verification			Assumptions
	Name	Baseline	YR1	Mid-Term	End Target	Source	Frequency	Responsibility	
<i>financial services enhanced (PRS 2013-2020)</i>	▪ Effectiveness in promotion of pro-poor policies (RIMS 2 nd level)	-	-	-	5	MFIs and DEF reports	Annually	DEF and M&E officer	<ul style="list-style-type: none"> interested in financing rural activities (R) PFIs not considering contract farming or tripartite agreements as sufficient collateral (R)
Outputs:	▪ Amount of loans to 4,000 microenterprises and revolving	-			\$2.0 m	MFIs and DEF reports	Quarterly	DEF and M&E officer	
2.1 Rural Finance Fund established, operational, and sustainable	▪ Amount of loans to 66 SMEs and revolving	-	\$0.1m	\$0.36m	\$1.1 m	MFIs and DEF reports	Quarterly	DEF and M&E officer	
2.2 Policy support provided	▪ Rural finance working group established and operating	-	1	1	1	DEF and meetings reports	Semi-Annually	DEF and M&E officer	
	▪ Policy briefs prepared and disseminated	-	0	1	4	Project monitoring reports and studies	Semi-Annually	M&E officer	

Changes to log frame:

At goal level:

- Adding target for HHs with improvement in asset ownership index. The 20% target is based on previous experience with RIMS surveys with other projects.
- Adding target for HHs with improved food security and noting that it's a RIMS 3rd level indicator rather than 2nd level indicator. The 15% target is based on previous experience with RIMS surveys with other projects.
- Change in income have been removed to project development object level.

At project development objective:

- Added % increase in beneficiary HHs incomes and added target as 20% based on previous experience.

Outputs for outcome 1

- Policy briefs prepared and disseminated the target changed to 6 rather than 4 as per the detailed project description in appendix 4.

Outputs for component 2

- \$0.5 m as amount of loans to 60 SMEs was changed to \$1.1 m as amount of loans to 66 SMEs based on the economic and financial analysis in the design document

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

Agreed action	Responsibility	Agreed date
Overall		
NGO and TA Recruitment: Complete the pending procedures for recruitment of the NGO for social mobilization, the Technical Assistance for capacity building and TA for assistance in the Rural Finance component.	Project manager/PSC	October 30, 2015
IFAD-FAO Initiative: Ensure that all actions for facilitating the support under the IFAD-FAO initiative are in place to use this support before its closure in December 2016.	Project Manager	October 15, 2016
Market Studies: Review the value added of each study included in the project design prior to commissioning it during the implementation period.	PMCU/JEPA	On-going
Subcomponent 1.1: Mobilisation, Capacity Building and Enterprise Development		
Agreed action	Responsibility	Agreed date
Activity 1.1.1: Saving and Credit Groups and Associations: Select the NGO for Social Mobilization and broaden the scope of the TORs to include business support, mentoring and assistance in preparation of feasibilities for accessing project grants and provision of grants and the administration of the Progress out of Poverty Index Survey at the outset.	Project Manager/PSC	December 31, 2016
Provide grants and business mentoring support to the SCGAs.	Project Manager/PSC	On-going.
Activity 1.1.2: Farmer Field Schools and NCARE Capacity Building:		
Initiate the MoU with the Association of Engineers to identify the female agricultural graduates in the respective governorates to be trained as FFS facilitators to train women farmers.	Project Manager/ NCARE	By October 30th, 2016
Undertake a multi-stakeholder workshop with the participation of JEPA, NCARE, JSMO, DEF, potential buyers, smallholder farmers including women and the Agriculture Directorates at the national level for identification of market potential and fine-tuning of the selection of crops.	PMCU	By October 30th, 2016 for this year.
NCARE to administer the Progress out of Poverty Index at the outset to each FFS participant.	NCARE	At the start of each FFS.

Activity 1.1.3: Business Mentoring Support: Submission of work plan and approach by the NGO for delivering the activities under this component.	NGO	Immediate
Preparation of work plan, overall approach, targets by gender and training resources required for providing the support.	NGO	March 31, 2017

Subcomponent 1.2: Value Chain Upgrading

Agreed action	Responsibility	Agreed date
Activity 1.2.1: Market Development, Promotion and Value Chain Linkages:		
Identification of targeting studies in support to specific value chains through the multi-stakeholder workshops in close collaboration with JEPA and the target beneficiaries that can add value to their productivity and incomes.	Project Manager	On-Going
Activity 1.2.2: Quality Standards and Post-Harvest Waste Reduction: Identify the criterion for selection of participants for JSMO training and certification separately and include it in the PIM	NCARE, JSMO, JEPA and the PMCU	October 31, 2017
Activity 1.2.3: Support for Value Chain Upgrading and Business Model Innovation:		
Preparation of a detailed work plan by the NGO to administer the grants.	NGO Team	June 2017
The specific criteria for qualification for grants should be clearly identified along with the management and included in the PIM after approval of the PSC and IFAD.	Project Manager with Grants Committee.	By June 2017

Subcomponent 1.3. Knowledge Management, Learning and Policy Support

Agreed action	Responsibility	Agreed date
Preparation of a detailed work plan for activities under this component	TA Team	Q3 and Q4 2017

Component 2: Rural Finance

Agreed action	Responsibility	Agreed date
Subcomponent 2.1: Rural Finance Fund:		
Subsidiary Loan Agreement (SLA) to be signed between MOPIC and DEF.	MOPIC/DEF	By October 20th , 2016
DEF formally assign members from each of its key departments and the five Governorates to a committee within DEF who will take responsibility for REGEP	DG (DEF)	By end October 2016.
PMCU will facilitate the linkage between DEF and CBJ for capacity building.	PMCU/CBJ	Immediate
DEF to use the capacity building support to improve its staffing, lending policies and procedures, and M&E systems and report regularly on key financial performance indicators.	PMCU/DEF	On-Going
DEF to report its financial performance indicators on the MIX market.	PMCU	Annually
PMCU hire a full time Rural Finance specialist to provide Technical Assistance to DEF for capacity building and short term TA as and when required.	PMCU/DEF	December 31, 2016.
Microfinance Lending: Finalize the selection of partner MFIs through a Call for Proposals as soon as possible.	DEF/PMCU	December 31, 2016
Develop a module for inclusion in the PIM for this component to elaborate the lending methodology, including loan types, tenor and lending terms especially keeping in mind the attributes of the target farmers and poorer households, as well as risk management and risk mitigation mechanisms.	DEF/TA/PMCU	December 31, 2016.
Include in the MFIs TORs their administration of a Progress out of Poverty Index survey at the outset for each borrower household.	PMCU/DEF	Upon signature of agreements with MFIs.
SME Lending. Develop a module for inclusion in the PIM for this component which elaborates the lending methodology, including loan types, tenor and lending terms, as well as risk management and risk mitigation mechanisms.	DEF/TA	December 31, 2016.
Subcomponent 2.2 Knowledge Management and Rural Finance Policy Support:		
Procure TA to assist in implementation of this component.	PMCU	December 31, 2016
Join the existing CBJ Working Group on National Financial Inclusion Strategy which includes key sector leaders.	PMCU	January 31, 2016

Project implementation progress

Agreed action	Responsibility	Agreed date
Project Management: Ensure that the PMCU allocates clear responsibility for each activity to a staff member for proper coordination and oversight and includes this in the TORs.	Project Manager	October 15, 2016
Oversight: MOPIC to be included in the Technical Coordination Committee established to oversee project progress.	PSC	Immediate
PIM: Modify the Project Implementation Manual to include the specific aspects identified above.	PMCU	31 st March 2017.
Monitoring & Evaluation: Finalize M&E system by accessing technical assistance to align indicators with refined targeting criteria and design an MIS with the capacity to track each beneficiary through their NID.	Project Manager and M&E Specialist/FAO.	By March 25, 2017
Include Progress out of Poverty Index Survey in the Tors of the NGO, NCRAE and MFIs and DEF.	PMCU	On hiring each service provider.
Coherence Between AWPB and Implementation: Revise the AWPB for the next 15 months and develop a procurement plan consistent with it.	PMCU	November 30, 2016

Targeting Approach

Agreed action	Responsibility	Agreed date
Detail the description of the target group and beneficiary eligibility criteria	Project Director	November 30, 2016
Update PIM to reflect changes in beneficiary eligibility criteria and quotas	Project Director	On-going
Develop a Gender and Targeting Matrix for REGEP	Project Director and Field Supervisor	January 1, 2017
Incorporate responsibility for tracking REGEP's Gender and Targeting Strategy in Field Supervisor's TOR	Project Director	October 15, 2016
Brief partners on gender and targeting strategy in M&E workshops with partners	M&E Officer and Field Supervisor	By March, 2017
Assess scope for targeting women-headed households for business mentoring support and grants for business.	Project Director	November 30, 2016
All TA recruited for the project should include in their TORs the responsibility for enhancing the participation and relevance of project activities for women.	Project Director	On-going

Financial Management

Agreed action	Responsibility	Agreed date
Financial Monitoring: Finalise the configuration of budget and activity details in QuickBooks	Finance Manager/Accountant	November 30,2016
Set up a clear criteria and cost drives for contribution of all partners in kind and in QuickBooks.	M&E responsible/Finance Manager/Project Manager	November 30,2016
Procurement: Update the procurement plan in compliance with the revised AWPB.	PMCU	On-Going
Audit: Prioritise the hiring of an External Auditor in accordance with IFAD guidelines.	Finance Manager/Project Manager	November 30,2016
Audit report including management letter for 18 months to be submitted to IFAD.	Finance Manager/Project Manager	not later than 30 June 2017

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

Component/ Sub-component or Output	Indicator	Unit	AWP&B	Actual	%	Cumulative Actual	Appraisal Target	%
Component 1: Value Chain and Enterprise Development								
Sub-component: 1.1 Mobilisation, Capacity Building and Enterprise Development								
Activity 1.1.1: Saving and Credit Groups and Associations	SCGs/ associations formed/ strengthened (50% women)	SCGAs	50	0	0	0	350	
Activity 1.1.2: Farmer Field Schools and NCARE Capacity Building	Smallholders participating in FFS	Farmers	1000	0	0	0	5000	
Activity 1.1.3: Business Mentoring Support	Groups/MSMEs benefit from business mentoring	Groups/MSMEs	50	0	0	0	600	
Sub-component: 1.2: Value Chain Upgrading								
Activity 1.2.1: Market Development, Promotion and Value Chain Linkages	Smallholders engaged in contract farming	farmers	0	0	0	0	2000	
Activity 1.2.2: Quality Standards and Post-Harvest Waste Reduction.	Global GAP certificates issued (50% to groups of farmers)	Certificates	30			0	150	
	Amount of disbursements for value chain upgrading investments	\$					\$1 m	
Activity 1.2.3: Support for Value Chain Upgrading and Business Model Innovation	Amount of disbursements for business model innovation	\$					\$360,000	
	Value chain working group established and operating	Working Group	1	0	0	0	1	
Sub-component: 1.3: KM, Learning and Policy	Policy briefs prepared and disseminated	Policy briefs	0	0	0	0	6	
Component 2: Component 2: Rural Finance								
2.1: Rural Finance Fund.	Amount of loans to 4,000 microenterprises and revolving	Loans		0	0	0	\$2.0 m	
	Amount of loans to 66 SMEs and revolving	\$	\$0.1m	0	0	0	\$1.1 m	
2.2 KM, Learning and Policy Support	Rural finance working group established and operating	Working Group	1	0	0	0	1	
	Policy briefs prepared and disseminated	Policy briefs	0	0	0	0	4	

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

Table 5A: Financial performance by financier

Financier	Appraisal (USD '000)	Disbursements (USD '000)	% disbursed
IFAD loan	10 823.0	98.8	1%
IFAD grant	500.0	0.0	0%
Government	1 301.5	0.0	0%
Beneficiaries	2 694.5	0.0	0%
Co-financiers*	1 809.2	0.0	0%
Total	17 129.2	98.8	1%

*Co-financiers include the contribution of DEF, JEDCO, NCARE

Table 5B: Financial performance by financier by component (USD '000)

Component	IFAD loan and grant			Government			Beneficiaries			Co-financiers*			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
1. VALUE CHAIN AND ENTERPRISE DEVELOPMENT	4 872.8	0.0	0%	964.7	0	0%				1 551.9	0	0%	7 389.4	0	0%
2. RURAL FINANCE	4 301.4	0.0	0%	132.5	0	0%	2 694.5	0	0%	144.1	0	0%	7 272.5	0	0%
3. PROJECT MANAGEMENT	2 149.5	98.8	5%	204.4	0	0%				113.4	0	0%	2 467.3	99	4%
Total	11 323.7	98.8	1%	1 301.6	0.0	0%	2 694.5	0.0	0%	1 809.4	0.0	0%	17 129.2	98.8	1%

Table 5C: IFAD loan disbursements (SDR, as at 26/09/2016)

Category Description	Current Allocation	Disbursement	Balance	% Disbursed
Consultancies	1 330 000	0	1 330 000	0%
Credit and guarantee funds	2 210 000	0	2 210 000	0%
Equipment and materials	490 000	0	490 000	0%
Grants and subsidies	830 000	0	830 000	0%
Salaries and allowances	680 000	0	680 000	0%
Training	1 080 000	0	1 080 000	0%
Unallocated	710 000	0	710 000	0%
Initial deposit		710 308	-710 308	
Total	7 330 000	710 308	6 619 692	9.69%

Figure 1: IFAD grant disbursements (SDR, as at 26/09/2016)

Category Description	Current Allocation	Disbursement	Balance	% Disbursed
Training	340 000	0	340 000	0%
Initial deposit		35 491	-35 491	
Total	340 000	35 491	304 509	10.44%

Appendix 6: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section B.2	Opening of the Designated Account	Opening prior to Effectiveness	Complied with	
Section B.3	Opening of the Project Account	Loan Financing Covenant	Complied with	
Section E.2.b	AWPB approved by IFAD for first 18 months	Disbursement condition	Complied with	
Section 7.01	Annual Work Plans and Budgets and Procurement Plans to be submitted to Fund	No later than 60 days before beginning of each Fiscal Year	Complied with	New AWPB is under preparation for remaining 3 months of FY16 due to delay on implementation.
Section B.8	Availability of Grant Proceeds and Counterpart Funds	Continuous	N/A	Implementation of activities didn't yet started
Section 7.05	Procurement of goods, civil works and services in accordance with Schedule 4	Continuous	Complied with	
Section 7.11	The PMCU has been set up and the Project Director appointed.	Continuous	Complied with	
Section 8.02	Monitoring, establishment of information management system	Continuous	Complied with	
Section 8.03	Progress Reports to be submitted to IFAD on a six-monthly basis	No later than six weeks after the end of each six-month period	Complied with	
Section 8.03	A Mid-Term Review to be carried out jointly by Borrower and IFAD	No later than 36 months after the Effective Date	N/A	
Section 9.02	Submission of Financial Statements	Within 4 months after the end of each fiscal year	N/A	
Section 9.03	Audit Reports on project accounts of each year to be submitted to Fund	Within 6 months after the end of each fiscal year	N/A	

Appendix 7: Knowledge management: Learning and Innovation

Learning

Given the limited field implementation there are no clear lessons to report. However, the Supervision Mission met with some of the project staffing implementing projects in the country and the potential beneficiaries in Ajloun, Jerash and Mafraq and based on the feedback some key learning from the field that is already beginning to emerge is the following;

- Feedback with smallholder producers including and women is critical at every stage to ensure that the crop selection, training methodology, duration and timing of training and the content of the training is relevant for them;
- It is very important to provide proper technical and management training and orientation before giving any grants to individuals or groups;
- There are some elements of the design of the REGEP which do not offer any real value added to the beneficiaries such as the focus on internal lending in the SCGAs. Women are already members of several savings group which rotate the savings of members. They do not see any value in the proposal to set up a new system of savings and internal lending. This approach will need to be modified in discussion with the NGO recruited to mobilise the SCGAs and the grant sub-component linked to this activity to represent a real value for women;
- There is some apprehension about accessing financial services through the formal system which many view as un-Islamic. In structuring the loan products it will be important to consult with potential beneficiaries and examine more suitable loan products which are Shariah compliant.

Innovation: Describe any interesting innovation noted during supervision

There are no innovations to report at this stage.
