

## Tonga

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### Tonga Rural Innovation Project - Phase II

### Supervision Report

Mission Dates: 4 – 15 December 2023

Document Date: 25/01/2024

Project No. 2000001197

Report No. 6759-TO

Asia and the Pacific Division  
Programme Management Department



## Abbreviations and Acronyms

ACIAR	Australian Centre for International Agricultural Research
AWPB	Annual Work Plan and Budget
CADP	Community Agricultural Development Plan
CDP	Community Development Plan
CEIG	Community Economic Infrastructure Grant
CELG	Community Economic Livelihood Grant
CEO	Chief Executive Officer
CFs	Community Facilitator
CMs	Community members
COVID-19	Corona Virus Disease
CRAS	Climate Resilience for Agricultural Systems
CSO	Civil Society Organizations
DO	District Officer
FFS	Farmer Field School
GEDSI	Gender Equality, Disability and Social Inclusion Strategy
GPS	Global Positioning System
HTHH	Hunga Tonga and Hunga Ha'apai
IFAD	International Fund for Agricultural Development
M&E	Monitoring & Evaluation
MAFF	Ministry of Agriculture, Food and Forestry
MOF	Ministry of Finance
MORDI TT	Mainstreaming of Rural Development Innovation Tonga Trust
NGO	Non-Government Organisation
PPP	Potential Problem Project
PMU	Project Management Unit
PY	Project Year
SECAP	Social, Environmental and Climate Assessment Procedures
TC	Tropical Cyclone
TOs	Town Officers
TRIP II	Tonga Rural Innovation Project II
US\$	United States Dollar

## A. Project Overview

Region: Asia and the Pacific Division Project at Risk Status: Not at risk  
 Country: Tonga Environmental and Social Category: Moderate  
 Project Name: Tonga Rural Innovation Project - Phase II Climate Risk Classification: High  
 Project ID: 2000001197 Executing Institution: Ministry of Finance  
 Project Type: Rural Development Implementing Institutions: MORDI Tonga Trust  
 CPM: Candra Samekto  
 Project Director: Soane Patolo  
 Project Area: not available yet

Approval Date: 19/08/2017 Last audit receipt: 03/01/2024  
 Signing Date: 23/02/2018 Date of Last SIS Mission: 15/12/2023  
 Entry into Force Date: 23/02/2018 Number of SIS Missions: 7  
 Available for Disbursement Date: 11/07/2018 Number of extensions: 2  
 First Disbursement Date: 23/07/2018 Effectiveness lag: 6 months  
 MTR Date: 16/08/2021  
 Original Completion Date: 31/03/2023  
 Current Completion Date: 31/03/2025  
 Financial Closure: not available yet

### Project total financing

<b>IFAD Financing breakdown</b>	IFAD	\$900,000
	Debt Sustainability Framework	\$3,600,000
	Debt Sustainability Framework	\$1,497,867
	IFAD	\$1,497,867
<b>Domestic Financing breakdown</b>	Beneficiaries additional financing	\$3,000
	National Government	\$2,729,594
	Beneficiaries	\$1,427,989
	National Government (add)	\$125,000
<b>Co-financing breakdown,</b>	Rural Poor Stimulus Facility	\$700,000
	Australia	\$77,000
<b>Project total financing:</b>		<b>\$12,558,317</b>

### Current Mission

Mission Dates: 4 – 15 December 2023  
 Days in the field: 6 days  
 Mission composition: Candra Samekto, Country Director; Seyoum Getachew, Programme Officer; Elizabeth Ssendiwala, Senior Regional Technical Specialist, Rural Institutions; Ghulam Hulam Nabi Marri, Economist; Alosio Lafaele Enoke, Cross cutting themes; Bertram Sonntag, Financial Management Specialist; Harry Sudewa, Procurement Specialist  
 Field sites visited: Longompau, Tefisi, Feletoa, Tuánequivale, Pangaimotu, Petani, Fata'uhla, and Esia

## B. Overall Assessment

Key SIS Indicator #1	∅	Rating	Key SIS Indicator #2	∅	Rating
Likelihood of Achieving the Development Objective		4.34	Assessment of the Overall Implementation Performance		3.92

Effectiveness and Developmental Focus		4	Project Management		4
Effectiveness		4	Quality of Project Management		4
Targeting and Outreach		5	Knowledge Management		5
Gender equality & women's participation		4	Value for Money		4
Agricultural Productivity		4	Coherence between AWPB and Implementation		3
Nutrition		4	Performance of M&E System		5
Adaptation to Climate Change		4	Social, Environment, and Climate Standards requirements		4

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

<b>Relevance</b>		<b>4</b>
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## C. Mission Objectives and Key Conclusions

### Background and Main Objective of the Mission

1. The Tonga Rural Innovation Project Phase II of (TRIP II) is in its sixth year of implementation. The project was approved by IFAD Executive Board (EB) on 19 August 2017, and entered into force on 23 February 2018. Its expected completion and closing dates are 31 March and 30 September 2025 respectively. The project's goal is to contribute to improved and resilient livelihoods for Tonga's rural population. Its development objective is to enable communities to plan and manage resilient infrastructure and livelihood activities while addressing food security and nutrition.
2. The project has three components: (i) Community development; (ii) Sustainable economic livelihoods; (iii) Project management & coordination. It targets 122 rural communities in Tonga's five main island groups, including 60 communities targeted under the project's Phase I. The Ministry of Finance (MOF) - representative of the Borrower and Recipient - appointed the Mainstreaming of Rural Development Innovations Tonga Trust (MORDI TT) as the Lead Project Agency (LPA) who has the overall responsibility for project implementation. A Project Management Unit (PMU) was established which has the autonomy of management and has the responsibility of project management and implementation on day-to-day basis.
3. Currently TRIP II financing totaled USD 12.6 million, financed by: (i) an IFAD loan of USD 2.4 million; (ii) an IFAD grant of USD 5.1 million; (iii) a government contribution of USD 2.9 million; and (iv) beneficiary contributions estimated at USD 1.4 million. TRIP II's original completion date was extended from March 2023 to March 2025 (with closure in September 2025) because of the impact of tropical cyclones (TCs Gita and Harold) coupled with the Covid19 pandemic as well as the Hunga-Tonga Hunga-Ha'apai volcanic eruption and tsunami that impacted the island of Tongatapu and its outer islands. An additional grant (PIRAS-TRIP II Grant n. 200003818) of USD 0.7 million was mobilized by IFAD and co-financed by Australia with US\$77,000 in support of the Government's Covid19 response programming recovery, as part of the Pacific Islands Rural and Agriculture Stimulus Facility (PIRAS), which entered into force on 28 July 2021.
4. A mission comprised of IFAD staff and experts<sup>[1]</sup>, Government representatives and project staff conducted the supervision mission during the period 04 – 15 December 2023. The mission involved field visits to selected sites and in-depth discussions with project staff, implementing agencies and target communities. The mission also had discussions with key Government officials including: Kilisitina Tuamei'api (CEO Finance); Ms. Siutoni Tupou (Acting CEO MAFF); Ms. Ma'u Leha (Head of Planning) Lord Fakatulolo, Ofa Faoleula (Economist – Aid Management Division), Nick Lavema'au (Principal Economist – Aid Management Division). The primary objective of this third in person supervision of TRIP II Mission was to assess the overall implementation progress towards the project development objectives. The specific objectives of the mission include:
  1. Review the status of the overall project implementation progress made across the components since the last mission in December 2022, including, capacity building activities;
  2. Assess the implementation of PIP;
  3. Review the status of fiduciary and safeguard aspects; and
  4. Assesses the status of agreed actions from the previous supervision mission in December 2022.
5. A Wrap-up meeting for the mission was held in December 15, 2023 Chaired by Ms. Gladys Fukofuka (Acting CEO-Finance) and attend by Pesio Lakalaka (Economist- Aid Management Division), Heimuli Likuafu (Acting CEO MAFF), Manase Foukimoana (Deputy Secretary Local Government Division), Seu'ula Fua (MORDI TT), Vili Fuavao (MORDI TT) and Kaho Ófa (MORDITT).
6. The mission would like to express its appreciation to the Government of Tonga, the PMU staff, MORDI TT, partners, and communities for the courtesies, hospitality, collaboration, logistic support and contributions extended during this Mission.

[1] Candra Samekto - Country Director, Seyoum Getachew Tesfa - Programme Officer, Elizabeth Ssendiwala - Senior Regional Technical Specialist – Rural Institutions, Ghulam Hulam Nabi Marri – Economist, Alosio Lafaele Enoke - Cross cutting themes, Bertram Sonntag - Financial Management Specialist, Harry Sudewa - Procurement Specialist

### Key Mission Agreements and Conclusions

7. Since TRIP II become effective in February 2018, the project implementation progress has been affected by different natural disasters and Covid 19 pandemic. Some of these challenges include Tropical Cyclone Gita (2018), Tropical Cyclone Harold (2020), COVID-19 outbreak whose negative effect sustained for long (2021), and had resulted in restrictive movement measures across the main island of Tongatapu and outer islands. Further, in the aftermath of the Hunga-Tonga Hunga-Ha'apai volcanic eruption and tsunami, impacted the island of Tongatapu and its outer islands in 2022. During this period, the project was quick to provide disaster response through the IFAD- PIRAS grant. The project resumed its operation in full force in 2023 and made an encouraging progress. During the last mission, the project was rated potential problem project (PPP).
8. The mission noted good implementation progress since the resumption the implementation. The mission also observed a well thought partnership with local governments and other development partners to leverage expertise and resources to strengthen implementation and for sustainability. Discussions with beneficiaries confirmed their involvement from the onset of the project

through community development plans and implementation of sub-projects. The following key agreements and conclusions were also discussed:

9. **Fast tracking the implementation of the project:** fifteen months from the completion date of the project, different activities that are planned for 2023 started in third quarter of the year because of various reasons. The project team should develop a strategy to fast track implementation of these activities and complete them by 2024 in order to give enough time for the smooth handing over of the project's outputs/outcomes to the government and beneficiaries.
10. **Sustainability of the impact of the project:**the PMU should focus on reinforcing the exit strategy of the project to sustain the impact of the project in consultation with relevant entities / stakeholders. It should also rigorously track milestones in the exit and sustainability strategy to avoid slippage.
11. **Staffing:** The project is under staffed and key staff such as the procurement officer is lacking which is a bottleneck for the project. It is agreed that the PMU and MORDI TT board will take immediate action to fill this position.
12. **Operational audit:** The government of Tonga (Ministry of Finance) should appoint or select an independent Auditor or the Office of the Auditor General to undertake an operational audit of TRIP II Project and its procurement. It should also submit the audit report to validate project procurement and to accept project expenditures as eligible expenditure.
13. **Financial Management and Execution:** It is agreed that the PMU should review accounting system to ensure compliance with IFAD standards and complete all the required financial data/AWPB as per the planned activities.

## D. Overview and Project Progress

14. The overall project progress for the last one year is encouraging. In total, the project extended its services to 8,028 households, surpassing the end target by 193%. Of the 21 agreed actions from the previous mission, 18 are completed (85.7%) while the remaining three are in progress. Cumulative disbursement as of 14 December 2023 is at 56%. The infrastructure related activities have started in the third quarter of 2023 and there is expectation that the disbursement will increase in the second half of 2024.

### Component 1: Community Development

15. This component is the key entry point for project implementation through inclusive participatory planning and management of resilient infrastructure. Following the 2022 volcanic eruption and tsunami, TRIP II had resulted to disaster response through PIRAS. As the country emerged from humanitarian to development work, the project conducted community consultations to assess the need to update the community priorities through the CDPs. There was no revision or development of new CDP within the reporting period, hence priorities and sub-projects funded through the Community Economic Infrastructure Grants (CELG) remained the same. One CPD was however revised in 2022 for the community resettled after the disaster. Under this component, 15 community infrastructures were newly constructed and the committees trained on operation and maintenance.
16. The TOs and DOs continue to play a key role in project implementation particularly the community consultations. The Community Facilitators (CFs) and Committee Members (CM) also support project implementation. Within the reporting period, trainings and coordination meetings were conducted with 15 DOs; 92 TOs (4 being women); 162 CFs (94 men and 68 women); and 870 Cs (351 men and 519 women). As a result of the May 2023 elections, several TOs (50%) and DOs (43%) are new. It is important that these new officials are inducted to TRIP II particularly in their roles as well as the inclusive participatory implementation approach of the project.
17. Sub-projects on drinking water have been implemented in 15 villages. However, the roofing requirements / standards meant that some vulnerable households did not benefit from the water tanks. It is important for TRIP II to explore means of supporting such households to access clean drinking water.

### Component 2: Sustainable economic livelihoods

18. TRIP II activities resumed in late 2022 following the humanitarian support to communities affected by the volcanic eruption and tsunami. A total of 2,630 direct beneficiaries (54%men and 46%women) received support for land preparation, agricultural inputs (seeds, seedlings), and technical packages. This included 84 farmer groups that received training support and setup of 9 acres of community demonstration plots and 754 acres of cluster home gardens benefitting over 1,237people.
19. The mission visited project sites and held discussions with project partners and communities in Vava'u and 'Eua islands (Table 1). A major concern to communities is the prolonged dry spell and the onset of an El Nino period, which brings drier than normal weather conditions to the South Pacific region. Visible signs of stunted plant growth and die back could be observed in the field. Farmers are expecting low yields in the coming years, particularly for kava and root crops, which are major income earners for rural communities. In response, the mission noted farmers are already switching to planting drought tolerant root crop varieties of

cassava, taro, giant taro, yams and sweet potato distributed by the project. Basic irrigation system (watering cans, water hoses, and containers) provided by the project for home gardens and cluster garden plots are being utilised to maintain vegetable production. This is encouraging for the mission to observe climate resilient agricultural practices and technology in action.

**Table 1: Mission Field Visits by Type of Sub-Project**

Islands	Home Gardens	Cluster Farms	Project Demonstration Plots
Vava'au	3	5	2
'Eua	2	4	2

20. The mission noted on-going collaboration between the project and MAFF in field testing and promoting the use of macuna (a nitrogen fixing leguminous plant) as an effective cover crop during the fallow period. This is particularly good for root crop production where demand on nutrients such as nitrogen is relatively high. Other planned activities by the project include field trials focussed on maize and different bean varieties as fallow cover crops to improve overall soil health. The mission encourages the close collaboration with key partners such as MAFF to sustain technical support to project supported communities and as part of the overall project exit strategy.
21. The mission also noted farmer requests for trainings in chemical application and use (herbicides) as well as cooking and Agro processing (food preservation). The project is encouraged to explore the possibility of conducting these trainings in 2024.
22. Overall implementation progress of sustainable economic livelihoods under Component 2 is progressing well with 3 of the 4 sub-components achieving over 80% of their targets. Lagging activities are expected to be implemented over the next 15 months before project closure by March 2025.

### **Component 3: Project management**

23. The implementation arrangements of TRIP II still relatively remain the same without any major changes over the years since its effectiveness. The PMU has a good experience to adapt or reorient project activities and developed capacity towards achieving the development objective of the project despite recurrent setbacks. The Project has a functional Project Steering Committee, charged with the responsibility of providing overall guidance, review and approval of AWPBs (Annual Work Plans and Budgets) before final clearance by IFAD. MORDI TT continues to oversee the day-to-day implementation of the project in collaboration with the government ministries which include but not limited to the MoF, the MAFF and the Prime Minister's Office.
24. It is encouraging to see that TRIP II budget is reflected in government's budget plan and monitored. The project has a staff responsible for M & E as well as knowledge management. However, the mission noted that out of 29 positions, 7 are vacant (24.1%) including the critical position of procurement officer whose recruitment process has taken longer than anticipated. The project is ensuring that the knowledge products are well-documented, comprehensive, and accessible to project stakeholders. The PMU should focus on consolidating learnings from TRIP II implementation alongside concluding the implementation of the activities in the coming year.

### **25. Gender and Social Inclusion**

26. A Gender Equality and Social Inclusion Action Plan was developed in December 2020 and a Focal Person appointed to coordinate its implementation. Some priority activities identified in the action plan were affected by the natural 2022 disaster, when the project had to prioritize disaster management and humanitarian response. Key gender-related activities within the reporting period include: continued support to women groups in vegetable cultivation, handicraft and community infrastructure, such as water as well as relevant trainings. The vegetable gardens are mainly for household consumption and distribution to community members particularly those living with disability. The handicraft activities are key for women's economic empowerment. Towards this, the project supports construction or rehabilitation of cyclone proof weaving sheds where women weave the handicraft. However, it is noted that only one such infrastructure has been construction (cumulatively) with none in the reporting period. During discussions in the field, women groups in Vava'u Island informed the mission the need for multipurpose halls where women could also make their handicraft. Yet, land related issues have curtailed construction of such halls in Vava'u. It was agreed that the project will prioritize this issue and continue pursuing avenues of accessing land for the community halls in order to facilitate opportunities for women's economic empowerment as the project draws close to end. The project is supporting the women groups in planting of raw material for the handicraft. The mission commends the gender (and in some cases age) disaggregation of people-centred data generated by the project. The data shows the women are well represented in the community committees.
27. At PMU level, several gender awareness trainings were conducted in conjunction with CARE Australia. It is important that the gender and social inclusion awareness trainings are rolled out to the DOs, TOs, CFs and the communities to strengthen inclusivity and gender equality.



## **Monitoring and Evaluation (M&E)**

28. The PMU's M&E capacity and personnel remains robust with the growing experience gained from regular survey collaboration and technical training support from other partner organisations such as CARE Australia, the ACIAR's Conservation Agriculture Sustainable Intensification (CASI) project and participating universities in Australia. Apart from the regular project M&E reporting requirements, the PMU participated in the following surveys and case study specific research. These include: underground water survey; drinking water HH verification; Case studies: interviews conducted with beneficiaries from tax and town allotments; Hunga Tonga and Hunga Haapai (HTHH) response evaluation: Focus Group Discussions (FGDs), Key Informant Interviews (KIIs) and phone surveys; University of Sunshine Coast (USC) Dietary Intake and Consumer Preferences of fruits and vegetables survey; USC Nutrition FGD; Australian Centre for International Agricultural Research (ACIAR) Food vendor survey; and Vanilla Farmer survey. During the year, 4 post graduate students (1 University of the South Pacific - Fiji, 1 Fiji National University - Fiji, 1 New Zealand, and 1 Australia) had placements with the project and undertook specific case study research on different topics:
29. Based on the number of survey reports, training manuals, assessment reports and KM products (brochures, posters, leaflets) produced by the project or in-collaboration with other partners, there is a need to consolidate and synthesise this information and data to feed into the TRIP II - Project Completion Report (PCR) in the next 14 months.
30. Similarly, the planning and roll out of key project surveys, including the Project Impact/Outcome survey must be initiated well ahead of time to ensure timely reporting. Regular and timely update of the logframe and AWPB physical progress is encouraged.
31. The field visits and preliminary available M&E data show that the project is not generating substantial income generation for farmers and rural households in the project area. The net incremental benefits seem not as high mainly due to delays in project activities resulting in low investment disbursement rate.

## **Financial Management and Execution**

32. The Programme's overall disbursement rate is at 56% at 20 Dec 2023. This includes the initial loan and grant with each above 92% (last disbursement: July 2022), the government with 29% and the additional grant/loan with 36%/38% (last disbursement: 02.10.2023).
33. The quality of Financial Management is moderately satisfactory based on the facts that staffing is overall adequate and payment documentation is sufficient. The project is using an accounting software, but compliance with IFAD standards needs to be improved. The revised AWPB was delivered in time and is adequate.
34. The Audit Report (01 Jul 2022 to 30 Jun 2022) was submitted on 23 Dec 2022. The review of the Audit Report disclosed that the audit was based on cash-based accounting and that a reconciliation with the Designated Account was missing.
35. At the mission date, the government contribution was 11.8% of total disbursements (versus budgeted 22.9%). Counterpart fund is expected to catch up to the line when project disbursement improves.

## **Procurement**

36. During the field visits, the mission interacted with sample of Vava'u community both beneficiaries and relevant leadership. Procurement in Vava'u province and district mostly use the community participatory procurement (CPP) scheme for simply civil work and procurement of goods. The procurement for TRIP II is centralized and conducted by MORDI as Executing Agency.
37. The updated procurement plan was submitted by the project in October 2023 and none of the activity has been implemented. The lack of project procurement specialist has weakened the project performance in 2023. The mission team noticed that the project financial officer acting as procurement specialist and other roles to fill the gap. The project has critically a gap in staffing especially in the project administration staff, management and delegation of the authority.
38. From the sample in the field visit, the community has well served by MORDI TT, however access to data and evidence related with the procurement process and source of the fund are remain unclear. The mission team found it difficult to access the data and relevant document during the mission. Despite the project document some of them for TRIP II is in the MORDI TT office, however the mission was not availed actual and updated document.
39. Since IFAD Mission was unable to undertake a review of the project procurement, the mission recommends an operation audit of the Project and its procurement by an Independent Audit or the by the Auditor General's Office. This recommendation would ensure conditions established under Section 7.05 of the General Conditions are complied with in order for the project to submitted withdrawal application for expenditures to be considered as eligible expenditure by IFAD in accordance with Section 4.07 of the General Conditions.
40. The Project submitted its interim procurement plan for IFAD review on 15 December 2023 (in OPEN system) and to submit a revised and updated PP of all new procurement by 15 January 2024 for the July 2023 to June 2024 Fiscal Period. IFAD will issue a revised PPA, subjecting a vast majority of the Project Procurement to IFAD prior review. All procurement undertaken not in compliance with the PPA and not submitted to IFAD prior review through OPEN will declared as mis-procurement.

## Social, Environmental and Climate Assessment Procedures (SECAP)

41. The mission noted the project has effectively integrated SECAP guidelines into its planning and monitoring procedures. This integration is evident in various aspects such as the development of Community Development Plans (CDPs), collaboration with development partners, community engagement strategies, and the planning of community interventions. These efforts ensure that initiatives are environmentally sustainable, socially acceptable, consider climate risks, and incorporate a fit for purpose stakeholder feedback process.
42. A prime illustration of SECAP integration is seen in the project's emphasis on Free, Prior, Informed Consent (FPIC), targeting the welfare of rural smallholders, youth, and women's groups. The aim is to provide land access to landless community members, regardless of gender. And recognizing the rising migration and increased female participation in plantations, the partnership among MORDI Tonga Trust, the King, and the community bears significant importance. Communities like Kolonga, Villa, Pangaimotu, Feletoa, and Tefisi have gained access to unused royal estate, aligning with efforts to ensure food security, improve nutrition, and establish livelihood opportunities. The mission visited some of these sub-projects on royal estate land in Vava'u and 'Eua.
43. While the SECAP assessment ranks TRIP II as medium to low risk. The project is expected to create positive environmental and social impacts for both primary beneficiaries and the wider population by promoting sustainable agricultural land use, thereby enhancing livelihoods. In addition, it will aid in ecosystem preservation and bolster the environmental management capabilities of communities and organizations involved. While potential adverse effects are mostly specific to certain sites, they are not permanent or overly complex and can be easily managed with mitigation measures.
44. Discussions with the PMU indicated that there were no grievances received in 2023 from project stakeholders or the public. Despite the positive feedback, the mission encourages the project to continue to raise awareness of the redress mechanism and to welcome any feedback (both positive and negative) from stakeholder. More importantly, closing the feedback loop by providing feedback to stakeholders on the status of their enquiry.

**Table 2: List of key agreed actions**

Agreed action	Responsibility	Deadline	Status
<p><b>Sustainability of the impact of the project:</b></p> <p>Reinforce the exit strategy of the project to sustain the impact of the project in consultation with relevant entities / stakeholders.</p> <p>Rigorously track milestones in the exit and sustainability strategy to avoid slippage.</p>	PMU	Immediate and continuous	Agreed
<p><b>Disaster on an IFAD investment project</b></p> <p>Conduct impact study of disaster on an IFAD investment project in Tonga</p>	PMU	July 2024	Agreed
<p><b>Project staffing:</b></p> <p>Finalize recruitment of the project staff to have sufficient human resources dedicated to the project</p>	MORDI/PMU	Immediate	Agreed
<p><b>Promotion of water saving technologies</b></p> <p>In areas where there is shortage of water for irrigation, promote water saving technologies (drip)</p>	PMU	Feb 2024	Agreed
<p><b>Preparation for the Project completion:</b></p> <p>As the project draws to completion, outcome and impact studies should include a gender and socio-economic analysis.</p>	PMU	July 2024	Agreed
<p><b>Procurement officer:</b></p> <p>Project Procurement officer should be <i>recruitment</i> as soon as possible</p>	Project Director or PMU	Before 31 <sup>st</sup> January 2024	Agreed

<p><b>Operational audit</b></p> <p>Appoint or select an independent Auditor or the Office of the Auditor General to undertake an operational audit of TRIPII Project and its procurement.</p> <p>Submit the audit report to validate project procurement and to accept project expenditures as eligible expenditure.</p>	Project Director or MOF	Before 31 <sup>st</sup> January 2024	Agreed
<p><b>Interim procurement plan and updated PP</b></p> <p>The Project submits its interim procurement plan for IFAD review (in OPEN system)</p> <p>Submit a revised and updated PP of all new procurement for the July 2023 to June 2024 Fiscal Period.</p>	PMU PMU	15 December 2023 15 January 2024	Agreed
<p><b>Operation and maintenance</b></p> <p>Strengthen operation and maintenance arrangements for infrastructure to ensure sustainability</p>	PMU	Immediate and continuous	Agreed
<p><b>Training of the new TOs and DOs</b></p> <p>Conduct Induction and training of the new TOs and DOs</p>	PMU	Immediate	Agreed
<p><b>Land for construction</b></p> <p>Explore options for accessing land for construction of Community halls in Vava'u to support women's economic empowerment</p>	PMU	Immediate and continuous	Agreed
<p><b>Gender Awareness trainings</b></p> <p>Cascade Gender Awareness trainings to the Communities</p>	PMU	Immediate and continuous	Agreed
<p><b>Financial Management and Execution</b></p> <p>Review accounting system to ensure compliance with IFAD standards</p>	PMU	March 2024	Agreed
<p><b>Physical data collection:</b></p> <p>Collect sufficient data from all interventions in the field. Report regularly the increase of the yield and household income increase</p>	PMU, M&E	Continuous and bi-annual reporting.	Agreed
<p><b>Updated Financial data/AWPBs</b></p> <p>Complete all financial data/AWPB as per activities</p> <p><b>Submit AWPB on time</b></p>	PMU,	bi-annual reporting June 2024	Agreed

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<p><b>Internal audit</b></p> <p>Internal audit for 2022 shall be performed by MOF in Q1 2023</p>	PMU/MOF	03/2023
<p><b>Procurement Officer</b></p> <p>Submit 3 candidates for Procurement Officer</p>	PMU	03/2023

<p><b>Study</b></p> <p>Undertake a study on lessons learnt and impact on rural communities under PIRAS-TRIP II activities</p>	<p>MORDI TT/PMU</p>	<p>06/2023</p>
<p><b>Sustainability of the impact of the project</b></p> <p>Reinforce the exit strategy of the project to sustain the impact of the project in consultation with relevant entities / stakeholders.</p> <p>Rigorously track milestones in the exit and sustainability strategy to avoid slippage.</p> <p>Deadline: Immediate and Continuous</p>	<p>PMU</p>	<p>12/2023</p>
<p><b>Project staffing</b></p> <p>Finalize recruitment of the project staff to have sufficient human resources dedicated to the project</p> <p>Action: Immediate</p>	<p>MORDI/PMU</p>	<p>12/2023</p>
<p><b>Operation and maintenance</b></p> <p>Strengthen operation and maintenance arrangements for infrastructure to ensure sustainability</p> <p>Deadline: Immediate and continuous</p>	<p>PMU</p>	<p>12/2023</p>
<p><b>Training of the new TOs and DOs</b></p> <p>Conduct Induction and training of the new TOs and DOs</p> <p>Agreed Action: Immediate</p>	<p>PMU</p>	<p>12/2023</p>
<p><b>Land for construction</b></p> <p>Explore options for accessing land for construction of Community halls in Vava'u to support women's economic empowerment</p> <p>Agreed Action: Immediate and Continuous</p>	<p>PMU</p>	<p>12/2023</p>
<p><b>Gender Awareness trainings</b></p> <p>Cascade Gender Awareness trainings to the Communities</p> <p>Agreed Actions: Immediate and continuous</p>	<p>PMU</p>	<p>12/2023</p>
<p><b>Procurement officer</b></p> <p>Project Procurement officer should be recruitment as soon as possible</p> <p>Action: Before 31st January 2024</p>	<p>Project Director or PMU</p>	<p>01/2024</p>
<p><b>Interim procurement plan and updated PP</b></p> <p>The Project submits its interim procurement plan for IFAD review (in OPEN system)</p> <p>Deadline: 15 December 2023</p> <p>15 January 2024</p> <p>Submit a revised and updated PP of all new procurement for the July 2023 to June 2024 Fiscal Period.</p> <p>Deadline: 15 January 2024</p>	<p>PMU</p>	<p>01/2024</p>
<p><b>Promotion of water saving technologies</b></p> <p>In areas where there is shortage of water for irrigation, promote water saving technologies (drip)</p>	<p>PMU</p>	<p>02/2024</p>

<b>Financial Management and Execution</b> Review accounting system to ensure compliance with IFAD standards	PMU	03/2024
<b>Updated Financial data/AWPBs</b> Complete all financial data/AWPB as per activities Submit AWPB on time Agreed Action: bi-annual reporting June 2024	PMU, M&E	06/2024
<b>Disaster on an IFAD investment project</b> Conduct impact study of disaster on an IFAD investment project in Tonga	PMU	07/2024
<b>Preparation for the Project completion</b> As the project draws to completion, outcome and impact studies should include a gender and socio-economic analysis.	PMU	07/2024
<b>Physical data collection</b> Collect sufficient data from all interventions in the field. Report regularly the increase of the yield and household income increase Agreed Actions: Continuous and bi-annual reporting	PMU, M&E	12/2024

## E. Project implementation

### a. Development Effectiveness

#### Effectiveness and Developmental Focus

Effectiveness

Rating: 4

Previous rating: 4

#### Justification of rating

45. The programme shows evidence that project objectives are likely to be met, though disbursement of project stands at 56%. The infrastructure development which that started in the third quarter of 2023 will be using much of the project budget in the 2024. Project implementation in current fiscal year PY5 (January - December 2023) shows good progress. More encouraging results have been achieved against the intermediate results. The mission noted that most of the agreed actions (85.7%) from the last are accomplished. The project has made significant progress in reaching its target communities, especially women-headed households, significantly surpassing both the baseline and end targets. In total, the project extended its services to 8,028 households, surpassing the end target by 193%.

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

46. Following the conclusion of post-disaster recovery assistance, the implementation of the TRIP II project has recommenced and is gaining momentum to compensate for the previously lost time. In the reporting period from January to December 2023, the cumulative physical progress of the project stands at 60%, with an overall disbursement rate of 56%. While progress varies across different areas, the updated logframe highlights significant accomplishments in certain aspects, exceeding set targets. However, other areas have shown moderate advancements, indicating the need for focused efforts to improve the project's overall goal delivery.

#### 47. Outreach:

48. The project has made significant progress in reaching its target communities, especially women-headed HHs, significantly surpassing both the baseline and end targets. In total, the project extended its coverage to 8,028 HHs, surpassing the end target by 193%. Among these HHs, 1,704 were headed by women, exceeding the baseline target by 129%, while non-women-headed HHs constituted 6,324, surpassing the baseline target by 223%. Additionally, the overall number of persons receiving project

services aligns with the end target. However, it's noteworthy that specific subgroups, such as children, fell short of the anticipated end targets of a total number of 3,393 males and 3,394 females.

**49. Project Goal / Project Development Objective / Project Outcome:**

50. While there is no progress reporting required at this stage for higher level indicators related to project goal, development objectives and at outcome level, the project is encouraged to start preparing for all the required surveys i.e., project impact/outcome survey over the next 15 months before project completion. Furthermore, the project has generated a lot of data/information through projects which could feed into reporting of some of the key project impact.

**51. Output:**

52. At the output level, the implementation of the project has been significant, particularly in providing substantial support for capacity building in community management training. Within output 1.1, the training of individuals in community management topics for TOs and DOs exceeded expectations by 121%, totalling 155 trained individuals. CMs surpassed the baseline by 99%, reaching a count of 18,446 individuals, while CFs exceeded the baseline by 293%, with a total of 358 individuals trained. There were no newly developed or revised CDPs in 2023.

53. In terms of resilient community infrastructure under output 1.2, the construction and rehabilitation of facilities amounted to 23, falling short of the appraisal target by 37%. Regarding the direct beneficiaries of the infrastructure, the project has achieved 58% of the expected total beneficiaries, with women CMs constituting 62% of the accomplished target.

54. Implementation under Component 2 (outputs 2.1, 2.2, 2.3 and 2.4) has made significant steps in training government officials, farmers, and sustainable resource management. However, certain areas such as infrastructure development (weaving sheds and rainwater tanks) and land utilization strategies require substantial attention to meet set goals. Efforts to enhance gender inclusivity across training programs and infrastructure development need to be prioritized for balanced and comprehensive agricultural resilience.

55. Training in CRAS for government officials exceeded the appraisal target significantly by 222%, showcasing an impressive investment in educating officials. FFS posted a substantial achievement with 169% of the set target, demonstrating a strong emphasis on educating farmers. And while women beneficiaries in FFS fall slightly below the target, improvements are needed to enhance female participation in agricultural training.

**Development Focus**

**Targeting and Outreach**

**Rating: 5**

**Previous rating: 5**

**Justification of rating**

56. TRIP II continues to target 122 rural communities in Tonga main island groups. Self-targeting is used for people who are interested in development of community infrastructure. Cumulatively, a total of 18,691 people are receiving services promoted or supported by the project surpassing the target 16,611 by 112%. Of these, 8,898 are men while 9,793 are women and 6,447 youth. Out of 8,028 household (193% of the target) reached cumulatively, 1,704 are women. The vegetable gardens & land allotment mainly target community members who do not have land. Provision of fencing material in these farms has created interest in these activities as livestock and wild pigs are a big threat to agricultural farms. Groups are also supported with seeds, seedlings and cultivars, farm implements & training.

**Gender equality & women's participation**

**Rating: 4**

**Previous rating: 4**

**Justification of rating**

57. A Gender Equality and Social Inclusion Action Plan was developed in December 2020 and a Focal Person appointed to coordinate its implementation. The action plan addresses IFAD's gender equality pillars of economic empowerment, voice and representation as well as addressing workloads. Some priority activities identified in the action plan were affected by the 2022 disaster, when the project had to prioritize disaster management and humanitarian response. The project uses two prong approach of mainstreaming gender in project implementation & women specific initiatives. Key gender-related activities within the reporting period include, continued support to women groups in vegetable cultivation and handicraft. Cumulatively, the project has reached 1,704 women headed households (129% of the end target) out of the 8,028 households reached. Women's actively participate in CDPs preparation and well their priority needs are considered. Apart from participating in CDPs preparation, women have a role in decision making in different committees. The provision of water tanks by the project is easing workload for women.

**Main issues**

58. The vegetable gardens is one of the key activities supporting women's practical needs. The vegetables are mainly for household consumption and distribution to community members particularly those living with disability. This activity is implemented through women's groups. The mission met with several women groups who registered their appreciation for this support. In 'Eua Island, the mission noted that some groups were expanding into different plots and new groups as the number of women participants grow especially with those who were relocated to the island after the 2022 disaster. The frequent requests from the women groups were on seed multiplication and cookery workshops. While the project provides watering cans, the women expressed the need for simple irrigation, e.g. drip irrigation especially where the water source is a bit far and carrying the water with the water

cans is not an easy chore. The project is pursuing working with women groups to address their issues in next year plan.

59. While the gardens saves household resources that were previously used to purchase vegetables (TOP 100 – 200 per month), the key activity that supports women’s economic activities are the handicraft. Towards this, the project is supporting the women groups in planting of raw material for the handicraft. Further, the project supports construction or rehabilitation of cyclone proof weaving sheds and the multipurpose halls where women weave the handicraft. However, it is noted that only one cyclone proof infrastructure has been construction (cumulatively) with none in the reporting period. During discussions in the field, women groups in Vava’u informed the mission the need for multipurpose halls where women could also make their handicraft. Yet, land related issues have curtailed construction of such halls in Vava’u. It was agreed that the project will prioritize this issue and continue pursuing avenues of accessing land for the community halls in order to facilitate opportunities for women’s economic empowerment as the project draws close to end.
60. The mission commends the gender disaggregation of people-centred data generated by the project. In terms of voice and representation, data shows the women are represented in the community committees. For example, by mid-term, there were 2780 women represented in the infrastructure committees of 5560 committee members. The updated logframe however does not indicate current women representation in the committees. Women’s representation among the TOs and DOs is low – these are elected positions where the project do not have direct control.
61. At PMU level, several gender awareness trainings were conducted in conjunction with CARE Australia. It is important that the gender and social inclusion awareness trainings are rolled out to the communities to strengthen inclusivity and gender equality.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Accessing land for construction of Community halls</b> Explore options for accessing land for construction of Community halls in Vava’u to support women’s economic empowerment Agreed Action: Immediate and Continuous	PMU	12/2023
<b>Gender awareness and Training</b> Gender awareness and Training Roll out Gender and social inclusion to implementers at Island level (DOs, TOs, CFs) and the community	PMU	01/2024
<b>Gender and Socio-economic analysis</b> Include gender and socio-economic analysis in the relevant study (outcome / impact studies) as the projects prepares for completion	PMU	07/2024

**Agricultural Productivity**

**Rating: 4**

**Previous rating: 3**

**Justification of rating**

62. An increase in rating from 3 to 4 is assigned, and this is based on community cluster farm investment profiles developed by the PMU and preliminary crop yield data emerging from project supported cluster farms. The project supported model farms and cluster farms to bring a total 2,523 acres of new lands to production. During the mission, the Teeki Community Cluster farm supported by TRIP II in Tongatapu had its first harvest ceremony of yams for gifting to the king, nobles and for distribution to the community. Initial estimates of harvest yield by the PMU of 300kgs with an estimated value of TOP\$1,140.00 based on the current average local market price of TOP\$3.80/kg. Over the next 6 months, the cluster farm is expected to harvest up to 8.6 tons of yams based on forecasts in the investment profile for the Teeki cluster farm by the PMU.

**Main issues**

63. TRIP II activities resumed in late 2022 following the end of humanitarian support to communities affected by the HTHH volcanic eruption and tsunami disaster. In 2023, a total of 1,417 direct beneficiaries (80% women and 20% men) received support for land preparation, agricultural inputs (seeds, seedlings), and technical packages. This included 34 farmer groups that received training support to setup new community demonstration plots covering 9acres and 754acres of mixed root crop and home vegetable garden cluster farms. Other root crops that will come online for harvest over the first 8-12months of 2024 include Tongan taro (1acre) and giant taro (1acre)
64. Further productivity gains are likely over the next 12 months of 2024, with up to 30 cluster farms in Tongatapu, Vava’u, and ‘Eua islands that were supported by the project begin to come into harvest with a full range of staple food crops including root tubers and vegetables.

<b>Nutrition</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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**Justification of rating**

- 65. While TRIP II is not flagged as a nutrition sensitive project as per the IFAD criteria, addressing food security and nutrition is part of the project development objective. The vegetable gardens and the cluster farms have been key in providing access to nutritious foods for the households. The mission was informed that vegetables from these gardens provide sufficient supply throughout the year. The vegetables are mainly for household consumption. The women distribute the vegetables to other community members (beyond the group) particularly to those living with disability.
- 66. While the project supports access to nutritious food, the women groups expressed the need for nutrition and cookery workshops especially for some of the vegetables that they are not familiar with. The project has engaged a nutritionist from the Sunshine Coast University, Australia to help assess the home / vegetable gardening and also at the Tax Allotment from a nutrition perspective. The assessment will include recommendation on improving nutrition through the project.
- 67. The project is also supporting the development of the Tonga Food Security Dashboard, an initiative funded by the Korea Supplementary funded. A consultant hired through IFAD is based at the PMU and working with relevant ministries and stakeholders. The dashboard aims to enhance access, ownership, and understanding of national data related to food security, supporting timely and data-informed decision-making mechanisms by relevant stakeholders in the Kingdom of Tonga. It uses nationally owned data which will be frequently updated and will serve to track the four food security pillars of availability, affordability, utilisation, and stability, in an easy-to-interpret visual format, enabling policy makers and development partners to take short, medium, and long-term measures that enable the Tongan people’s access to affordable and nutritious food.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Nutrition awareness training</b> Provide nutrition and cookery workshops for women groups	PMU	03/2024

<b>Adaptation to Climate Change</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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**Justification of rating**

- 68. The mission acknowledges the incorporation of climate change adaptation into the formulation and enhancement of CDPs and CADP. Farmers were also supported with equipment and infrastructure to improve resilience adaptation to climate change, to reduce impact of increasing El-Nino related dry periods. The project supports construction or rehabilitation of cyclone proof weaving sheds and the multipurpose halls for women groups. Moreover, farmers are already switching to planting drought tolerant root crop varieties distributed by the project. Basic irrigation system (watering cans, water hoses, and water tanks) provided by the project for home gardens and cluster garden plots are also being utilised to maintain vegetable production.
- 69. The project has been promoting and supporting farmers implement climate-smart agricultural practices CADPs involves conducting risk assessments concerning climatic and non-climatic disasters, both at the community level and within the governmental planning structure at local and national levels. Given the scarcity of water in Vava’u, it will be good to promote/introduce water saving technologies along with water tanks.
- 70. The project has been promoting and supporting farmers implement climate-smart agricultural practices such as using drought-resistant crop varieties, adjusting planting schedules to match altered growing seasons as well as championing traditional mix cropping farming systems i.e., minimal tillage, agroforestry based, and the use of cover crops to improve soil health and nutrition.
- 71. As climate change poses unprecedented challenges, Component 2.2 emerges as a frontline defender. By advocating and implementing improved practices for climate-resilient agroforestry, the program equips communities to adapt to changing climatic conditions. This not only mitigates the impact of disasters but also lays the groundwork for sustainable land management practices that promote biodiversity and environmental resilience.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Promotion of water saving technologies</b> In areas where there is shortage of water for irrigation, promote water saving technologies (drip)	PMU	02/2024

**b. Sustainability and Scaling up**

<b>Institutions and Policy Engagement</b>	<b>Rating: 5</b>	<b>Previous rating: 4</b>
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**Justification of rating**

- 72. The project implementation continues to generate important data and information that can be used for policy engagement. The wide range of strategic partners are instrumental in supporting the Tonga Gender Equality Disability and Social Inclusion Plan, mainstream Climate Change Disaster Risk Reduction into the process of Community Development Plans, design and finalization of the National Disaster Bill/Act, & policy advocacy through research. The CDPs are integrated to the Island Plans which inform



the national planning process. The mission met with the Director, Ministry of Planning who appreciated the participatory grassroots planning process initiated by TRIP II and emphasized the need for coordination in the planning process.

As the project activities are implemented through groups in the community, PMU has developed a maturity assessment / community assessment criterion. The assessment focuses on four main areas namely: institutional sustainability, economic & financial sustainability, technical sustainability, sustainability of resilient infrastructures and agricultural practices. Under the institutional assessment, assessment criteria include: Planning, Management & Community Organization; leadership, problem solving, participation, performance of DOs and TOs in their roles, and cohesion. It is important that results of these assessments inform the areas of strengthening before the project closes.

Apart from the above listed support provided by the TRIP II, the project is also supporting the development of national food security dashboard to support timely and data-informed decision-making mechanisms by relevant stakeholders in the Kingdom of Tonga. Information from the dashboard will be instrumental in informing policy and decision making on food security.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Tonga Agriculture Plan Phase II (TASP II)</b>  The project should pursue working with the government to support the development TASP II	PMU	05/2024

**Partnership-building** **Rating: 5** **Previous rating: 5**

**Justification of rating**

- 73. TRIP II has successfully forged partnerships and collaborations with various stakeholders, including Government agencies, local communities, NGOs, and private sector entities. These partnerships have been instrumental in leveraging resources, expertise, and knowledge to enhance the project's impact and sustainability. The project has an excellent partnership engagement with the government agencies, development partners, and research institutes like Meteorology, Environment, Information, Disaster, Energy, Climate Change and Communication Ministry, local governments, Universities, Australian High Commission, and CARE Australia on different rural development issues. The project is closely working with the private sector particularly in 'Eua Island to link producers with Agro-processor.  
Child Protection training was organized through the Pacific Partnership Unit and was facilitated by Save the Children Fiji. Crystal 'Ake the GEDSI focal point and Safeguard Coordinator attended the virtual training spanning November 27th to December 1st.
- 74. Using the long standing partnership created between TRIP II and CARE Australia, a leading humanitarian organization, the project has reinforced its commitment to transparency and accountability by conducting a specialized training program on anti-theft and anti- corruption measures
- 75. The project has also been in partnership to promote their Mai e Nima health and nutrition program to primary schools. This project focuses on select schools and established home gardens for the students to grow and eat through the year. TRIP II is also in partnership with the University of Sunshine Coast where two students are developing research focusing on nutrition in Tonga and has partnered with MORDI Tonga to develop their research.

**Human and Social Capital and Empowerment** **Rating: 5** **Previous rating: 4**

**Justification of rating**

- 76. Human and social capital is rated satisfactory. The inclusive participatory planning and implementation process has strengthened the capacity of the communities to identify and prioritize their needs as well as plan and implement development initiatives. The communities are further supported with proposal writing skills which enables them to make proposal for CELGs and CEIGs grant funding. These skills can be applied to resource mobilization from other sources working with the groups also enhances cohesion. The producers are also linked with market and noted that they have equal voices to decide on eth price of their produces.  
It is important that the PMU continues to link communities with relevant development partners / or government departments for possible funding for areas articulated in the CPDs and CADPs that are beyond the scope of TRIP II. This is important especially as the project draws to a close.

**Main issues**

- 77. Implementation of different activities is backed by building capacities of the target group through trainings as well as follow-up coaching. The infrastructure committees are regularly trained on effective operation and maintenance of the infrastructure. The agriculture projects are also supported with technical trainings besides provision of necessary inputs and services.
- 78. The PMU staff have also received several trainings to support their work. However, as noted in the project management section, the staff turnover has meant that some positions remain vacant. This has meant that some PMU staff has had to take additional responsibilities even in areas which is not their technical specialization. It is also noted that the is going to announced the vacant positions to address the issues related to the this.

**Quality of Project Target Group Engagement and Feedback** **Rating: 4** **Previous rating: 4**

**Justification of rating**

79. The project has a strong emphasis on Free, Prior, Informed Consent (FPIC), targeting the welfare of rural smallholders, youth, and women's groups. The Mission reiterates the findings from the October 2022 ISM, highlighting a significant level of community involvement as initially envisioned in the project design, especially in identifying priorities within CDPs and CADPs. The inclusion of community voices in the execution of CDPs and CADPs is facilitated through the establishment of democratically elected thematic sub-committees. Initiatives to establish a formal grievance mechanism are underway to ensure the timely receipt and addressing community members' concerns.
80. Discussions with the PMU indicated that there were no grievances received in 2023 from project stakeholders or the public. Despite the positive feedback, the mission encourages the project to continue to raise awareness of the redress mechanism and to welcome any feedback (both positive and negative) from stakeholder. More importantly, closing the feedback loop by providing feedback to stakeholders on the status of their enquiry.

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

**Justification of rating**

81. The mission noted that the Project has been engaging with a number of service providers. The project has pursued engaging private contractors, transporters, consulting firms, and government agencies to get different service service such as construction of infrastructures, design of infrastructures, transportation of materials, and conducting studies. TRPI II is also encouraging private sector engagement in the value chains specifically support Agro- processing and out grower schemes. The mission learned that the quality of the services provided by these service providers qualify the agreed standards.

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

**Justification of rating**

82. TRIP II has made significant progress in promoting sustainable natural resource management practices. Agroforestry systems on tax allotments have increased Agro-biodiversity and improved raw material production for handicrafts. This has contributed to the conservation and sustainable use of natural resources, as well as enhanced climate resilience. The mission also observed in the field that the farmers applying traditional mix-cropping farming knowledge and climate adaptation measures in response to the prolonged dry period in the outer islands.
- The mission visited project sites and held discussions with project partners and communities in Vava'u, 'Eua and Tongatapu islands (Table 3). A major concern to communities is the prolonged dry spell and the onset of an El Nino period, which brings drier than normal weather conditions to the South Pacific region. Visible signs of stunted plant growth and die back was observed in the field. In response, the mission noted farmers are already switching to planting drought tolerant root crop varieties of cassava, taro, giant taro, yams and sweet potato distributed by the project. Basic irrigation system (watering cans, water hoses, and water tanks) provided by the project for home gardens and cluster garden plots are being utilised to maintain vegetable production. This is encouraging for the mission to observe climate resilient agricultural practices and technology in action.
- Table 3: Mission Field Visits by Type of Sub-Project
- | Islands   | Home Gardens | Cluster Farms | Project Demonstration Plots |
|-----------|--------------|---------------|-----------------------------|
| Vava'au   | 3            | 5             | 2                           |
| 'Eua      | 2            | 4             | 2                           |
| Tongatapu | 2            | 4             | 2                           |
83. The mission noted on-going collaboration between the project and MAFF in field testing and promoting the use of macuna (a nitrogen fixing leguminous plant) as an effective cover crop during the fallow period. This is particularly good for root crop production where demand on nutrients such as nitrogen is relatively high. Other planned activities by the project include field trials focussed on maize and different bean varieties as fallow cover crops to improve overall soil health. Seed saving training to improve access to available seeds and planting material for rural farmers. The project is encouraged to continue to seek/foster collaboration with key partners such as MAFF to sustain technical support to project supported communities and as part of the overall project exit strategy.
- The mission also noted farmer request for trainings in chemical application and use (herbicides) as well as cooking and Agro processing (food preservation). The project is encouraged to explore the possibility of conducting these trainings in 2024, and in particular promote the use of IPDM as a viable option in efforts to reducing chemical use.

**Main issues**

84. Table 3: Mission Field Visits by Type of Sub-Project

Islands	Home Gardens	Cluster Farms	Project Demonstration Plots
	Vava'au	3	5

'Eua	2	4	2
Tongatapu	2	4	2

**Exit Strategy** **Rating: 5** **Previous rating: 4**

**Justification of rating**

85. The project is implementing activities prioritized by the community which are identified through community development plan development process. The mission noted that the ownership of the community is high and the Government agencies are demonstrating their commitment for the implementation of the project activities through their leadership and contribution from the government treasury. The project has also exit strategy developed in consultation with all relevant stakeholders. The system developed by the project for graduating communities to evaluate the readiness of the communities to take over the responsibilities of sustaining the benefits of the interventions.

**Main issues**

86. TRIP II has been positioned from the offset to be able to exit and allow for the communities and its existing structures to replicate the model of community development and sustainable agricultural livelihoods model. The rural toolkit has been a vital document in training for the Town and District Officers as well as key champion community members identified as Community Facilitators. The participatory approach to mainstreaming inclusive participation of community members in decision making has been ongoing. The processes of both the project components have been simple for the communities and its community committees to make a follow up.

87. Since the project has left only 15 months to completion, it is logical and sensible to reinforce the exit strategy to sustain the benefits of the programme.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Reinforce the exit strategy of the project to sustain the impact of the project in consultation with relevant entities / stakeholders.</b> Agreed Action: Immediate and continuous	PMU	12/2023
<b>Rigorously track milestones in the exit and sustainability strategy to avoid slippage.</b> Agreed Action: Immediate and continuous	PMU	12/2023

**Potential for Scaling-up** **Rating: 5** **Previous rating: 4**

**Justification of rating**

88. Community Development Plan (CDP) which first was introduced by TRIP II has become the national approach and adopted by the government. All development partners and other agencies are implementing activities which are in the CDPs. The project has trained local farmers who, in turn, share their knowledge with neighbouring communities, contributing to the scaling up of improved agriculture practices.

**Main issues**

89. MORDI continues to be invited to CSO consultations, workshops and high-level meetings for development, disaster and GEDSI purposes in Tonga and the region. In doing so, the project continued sharing its experiences which helped to contribute and influence to scaling up of its approach and interventions.

90. The indicators for successful initiative continue to expand its reach signalling successful scaling up efforts of the project. The increasing numbers of beneficiaries and replicating the models to other communities are also key milestones that the project is working towards realizing its goals and objectives. This year has greatly differed from last year as this year there is the absence of disasters and travel restrictions have been low. The only calamity that the project is contending with in this reporting period is the impacts of a drought now being heavily felt across the islands. However, the recurrent disasters in the country disrupted the implementation of the project and which in turn affect the scaling up of the interventions to non-project community. Understanding the impact of the disaster will help for future learning.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Disaster impact study</b> Conduct impact study of disaster on an IFAD investment project in Tonga	PMU	07/2024

### c. Project Management

<b>Quality of Project Management</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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#### Justification of rating

91. The implementation arrangements of TRIP II still relatively remain the same without any major changes over the years since its effectiveness. The PMU has a good experience to adapt or reorient project activities and developed capacity towards achieving the development objective of the project despite recurrent setbacks. The Project has a functional Project Steering Committee, charged with the responsibility of providing overall guidance, review and approval of AWPBs before final clearance by IFAD. MORDI TT continues to oversee the day-to-day implementation of the project in collaboration with the government ministries which include but not limited to the Ministry of Finance, the Ministry of Agriculture, Food and Forestry and the Prime Minister's Office.

#### Main issues

92. It is encouraging to see that TRIP II budget is reflected in government's budget plan and monitored. The project has a staff responsible for M & E as well as knowledge management. However, the mission noted that out of 29 positions, 7 are vacant (24.1%) including very critical position like the procurement officer which is the recruitment process is taking longer time. The project is ensuring that the knowledge products are well-documented, comprehensive, and accessible to project stakeholders. The PMU should focus on consolidating learnings from TRIP II implementation alongside concluding the implementation of the activities in the coming year.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Project staffing</b> Finalize recruitment of the project staff to have sufficient human resources dedicated to the project Agreed Action: Immediate	MORDI/PMU	12/2023

<b>Knowledge Management</b>	<b>Rating: 5</b>	<b>Previous rating: 4</b>
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#### Justification of rating

93. The mission noted that TRIP II places importance on developing relevant and useful knowledge products to capture experiences, lesson learnt and best practices. These knowledge products include case studies, technical guidelines, and policy briefs. All staff members are responsible to produce knowledge products. MORDI developed communication strategy for the project to inform the knowledge management activities of the same. It has been observed WhatsApp has been beneficial to real time sharing to the team and other partners and stakeholders. Social media has also been pivotal to sharing information of which Facebook, Instagram, Twitter, LinkedIn, WordPress, and YouTube are mostly used to disseminate information.
94. Ongoing documentation of data collection using kobo toolbox for capturing quantitative data continues. Qualitative data is collected through ongoing meetings with community members especially during monitoring activities where the community members have time with the team to relay their experiences, any challenges they have faced and any further assistance they may need. It is found that most of the community members would rather wait for team members to be present to ask for further assistance requiring issues such as pest management then to call and contact the office. Knowledge exchange happens organically amongst the women groups and is often times when ground-breaking can be incorporated into the routine training that is disseminated by the team to other farmer groups.
95. There have been several system, process and policy overviews that have taken place in this reporting period in collaboration with the CARE Australia team. These are in the efforts of identifying any gaps and recommendations to strengthen these systems not only for the organization but that in which is to be used for the project. TRIP II continues to use its biannual report while the communication team have provided several case studies and other communication material to the IFAD Communication team. TRIP II has curated educational materials which have been largely shared as print material and as e-copies.
96. Ongoing engagement with the communities whilst prioritizing participatory approach and acknowledging the integration of women, youth and people with disabilities continues to be utilized by the project. Stories from the field have been curated and quotes have been disseminated through social media as well as with IFAD communication team in Rome. Examples of ongoing community engagement in KM have been farmer-to-farmer knowledge exchanges. From lessons learned during these exchanges the staff have been able to tailor training suitable for the communities which include not only science but also integration of Indigenous and traditional knowledge of natural resource management and farming.

**Justification of rating**

97. The project efficiency, and value for money is considered to be moderately satisfactory. Project implementation was mostly efficient and effective for the last two years, and the project investments started representing good value for money. The year 2023 AWPB and accumulated targets until December 2023 show that most project activities were implemented within schedule and within budget. Project implementation arrangements and procedures were efficient, and output delivery was mostly problem-free. The project was efficient in leveraging IFAD's, the Government's, and other' development partners' resources to assist rural communities. It significantly exceeded the number of expected target beneficiaries, mobilized additional resources, and concluded its delivery on time and under budget.

**Main issues****98. Value for Money Review**

99. By The value for money is reviewed (i) on the basis of the unit cost of activities in the design, the unit cost used in the AWPB and for the actual expenditure; (ii) on the performance of the AWPB planning and disbursement; and (iii) revisiting the economic benefits due to the delay of project activities and project restructuring.

100. Though the unit rates of the AWPB activities of all three components are in line with the revisited project design budget, there are substantial delays in project activities and investment disbursement. The total project disbursement rate is about 56% i.e. USD 7 million out of USD 12.6 million. The disbursement rate of IFAD and IDA until December 2023 is reported at 63%, i.e., USD 5.13 million out of a total of USD 8.2 million. The analysis of the AWPB allocation and the actual expenditure for the period 2018-2023 showed that (i) the total expenditure up till June 2023 was about 48% (ii) the expenditure for the first component was about 34%; (iii) 26.4% for the second; and 63.5% for the third component. This indicates, project funds are under-mobilized to the activities of the first and second components which bring in value to the project. Moreover, the higher project management cost for component 3 will increase the cost and further effect the long-term economic benefits of the project.

101. Analysis of input to output and outcome are showing good signs of progress of the project. The results of Outcome 1 have yet to be quantified. However, the output data shows increased capacity of community. Under output 1.1 Community Development Plans (CDPs), trainings to District Officers (DOs), Town Officers (TOs), Committee Members (CMs) and Community Facilitators (CFs) has exceeded the expected target. These people are important for the interface with communities. The project supported formulation of 62 CDPs. Implementation under output 1.2 (resilient community infrastructure based on CDPs) is lagging behind with 37% of planned community infrastructure constructed or rehabilitated i.e., 23 out of 62.

102. Outcome 2 has yet to be quantified. However, the output data shows improved and resilient economic livelihoods. Under output 2.1 community agriculture development plans (CAPDs), progress on training in climate change risks and responses for increased resilience in agricultural systems has exceeded the target. For farmer field schools (FFSs), the number of beneficiaries reached 1320, i.e., 80% of the target, and the number of women beneficiaries accounted for 1078. Also, under output 2.2 Improved practices for increased climate resilience of agroforestry systems about 84 groups comprising 1098 people with 1760 ha of land have been brought under climate resilient practices, indicating 92% of people were trained and 22% of target land was achieved. Under output 3.3, Improved practices for increased climate resilience of homestead gardens, 2732 persons trained in production practices and other technologies exceeding the target by 304%. Under output 2.4 Progress in cyclone-proof weaving sheds is only at 2% with only 1 weaving shed constructed. and number of women benefiting from the improved cyclone-proof weaving sheds is only 22% of appraisal targets.

103. The project has shown outstanding outreach progress, benefiting 8028 HHs, reaching 193% of its end target i.e. 4152. The project's key economic benefits have to come from Component 2 i.e., sustainable economic livelihood (a) 2,630 direct beneficiaries receiving support for land preparation, agricultural inputs (seeds, seedlings), and technical packages (b) Cluster Household farming of about 1237 has with a total farm size of about 754 acres. About 84 farming groups benefited from training and receiving tools for 9 acres per community level.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Updated Financial data/AWPBs /Lograme</b> Complete and regularly report all financial data/AWPB/logframe output/outcome data as per activities. Agreed Action: Continuous and bi-annual reporting	PMU, M&E, Financial Reports	12/2023
<b>Component 2</b> Ensure the realistic appraisals of financial viability and the number of beneficiaries on part of famers. All relevant data should be regularly monitored and reported. Agreed Action: Continuous and bi-annual reporting	PMU, M&E, Financial Reports	12/2023
<b>Physical data collection</b> Collect sufficient data from all interventions in the field. Report regularly the increase of the yield and household income increase. Agreed Action: Continuous and bi-annual reporting	PMU, M&E	12/2024

**Coherence between AWPB and Implementation**

**Rating: 3**

**Previous rating: 3**

**Justification of rating**

104. The mission noted the resumption of TRIP II specific activities in late 2022 following the humanitarian response in the aftermath of the HTHH volcanic and tsunami disaster. Despite delays in the submission and approval of the AWPB 2022-2023, the project implemented a flurry of activities over the 12 months up to December 2023. These included capacity building trainings, agricultural inputs (i.e., land preparation, seeds and planting materials) and technical support to groups under Components 1 and 2. The project is currently working according to the AWPB 2023-2024, which was submitted by the PMU and approved by IFAD in September 2023. There is overall coherence between the current AWPB 2023-2024 and project implementation.

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

105. Overall implementation progress stands at 60 percent with activities reaching or surpassing their set targets (40%) and activities in progress that are within target (20%) and pending activities (40%) to be implemented and/or restart. Table 4 shows the incremental progress by Component during the reporting period. Although the project is playing catch-up, there is a real urgency to implement outstanding activities and/or complete pending activities over the next 15 months before project closure.

**Table 4: Physical Progress as at December 2023 by Project Component**

<b>Physical Progress</b>	<b>Component 1</b>		<b>Component 2</b>	
	<b>No.</b>	<b>%</b>	<b>No.</b>	<b>%</b>
No. of Indicators that have reached/exceeded targets	2	40	4	40
No. of Indicators at 50% - 99% of reaching set targets	1	20	2	20
No. Indicators below 50% of set targets	2	40	4	40
<b>Total No. of Indicators</b>	<b>5</b>		<b>15</b>	

106. Key activities that require attention include:

Sub-component 1.2: No. of market, processing or storage facilities constructed / rehabilitated.  
 : No. of community infrastructure management committees trained.

Sub-component 2.2: Area of land under improved management practices

Sub-component 2.3: Agricultural production facilities in vulnerable areas with increased water availability specified for rainwater tanks for 60 FFS model garden.

Sub-component 2.4: No. of processing facilities constructed or rehabilitated specified for cyclone proof weaving sheds.  
 : Number of women benefiting from the improved cyclone-proof weaving sheds

107. The mission reiterates the need for a timely submission of the AWPB for IFAD review and approval prior to the start of the fiscal year. As such, the PMU is encouraged to submit the 2024-2025 AWPB for IFAD review and no-objection within the agreed timelines.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Timely submission of AWPB</b> Submit the AWPB for 2024/25 in June 2024 as per the LTB	PMU	06/2024

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

**Justification of rating**

108. The PMU's M&E capacity and personnel remains robust with the growing experience gained from regular survey collaboration and technical training support from other partner organizations such as CARE Australia, the ACIAR's Conservation Agriculture Sustainable Intensification (CASI) project and participating universities in Australia. The PMU's capacity i.e., dedicated M&E officer and supporting technical staff from key project components, a functional data collection process and management tools (i.e., Kobo Toolbox) in place and available resources to support on-going M&E work. The project is preparing to capture the outcomes of the project in 2024 using these tools

**M&E System Review**

109. For regular project M&E reporting requirements, the PMU participated in the following surveys and case study specific research.

- Supported Underground Water Survey and Drinking Water HH verification.
- Case Studies: interviews conducted with beneficiaries from tax and town allotments.
- Evaluation of the Hunga Tonga and Hunga Haápai (HTHH) Response: Focus Group Discussions (FGDs), Key Informant Interviews (KIIs) and phone surveys;
- University of Sunshine Coast (USC) Dietary Intake and Consumer Preferences of fruits and vegetables Survey;
- USC Nutrition FGD;
- Australian Centre for International Agricultural Research (ACIAR) Food Vendor Survey
- Vanilla Farmer Survey

110. During the year, 4 post graduate students (1 University of the South Pacific - Fiji, 1 Fiji National University - Fiji, 1 New Zealand, and 1 Australia) had placements with the project and undertook specific case study research on the following topics:

- Analysis of Tongan Farmers' Perception on Domestic Fruit Production: By identifying Resisters, Enablers, and Drivers for Increased smallholder Participation.
- Reducing food loss in Tonga - Taro farming systems through Taro system innovation
- Transformative adaptation and resilience: A case study of climate change migration and displacement in Tonga
- Tonga Food Choice

111. Based on the number of survey reports, training manuals, assessment reports and KM products (brochures, posters, leaflets) produced by the project or in-collaboration with other partners, there is a real need to consolidate and synthesise this information and data to feed into the TRIP II - Project Completion Report (PCR) in the next 15 months.

112. Similarly, the planning and roll out of key project surveys, including the Project Impact/Outcome survey must be initiated well ahead of time to ensure timely reporting and a successful project closure. Regular and timely update of the logframe and AWPB physical progress for distribution to the mission is encouraged.

113. During the mission, the Teekiu Community Cluster farm (TRIP II beneficiary) in Tongatapu had its first harvest ceremony (Inasi) of yams for gifting to the king, nobles and for distribution to the community. The PMU participated and collected production data and information that will be useful in valuing project impact on farmers and rural households. Up to 30 cluster farms (Tongatapu, Vava'u, 'Eua) supported by the project will harvest their first crop over the first 6 months of 2024. The PMU is encouraged to ensure total capture of production and soci-economic data from these field events.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Timely results of Endline Survey</b> Timely results of Endline Survey must be available by the completion mission in June 2025.	PMU/ M&E Officer	03/2025

**Social, Environment, and Climate Standards requirements** **Rating: 4** **Previous rating: 4**

**Justification of rating**

114. Climate change adaptation and resilience issues are well integrated into the planning process of CDPs, Community Economic Infrastructure Grants (CEIGs) and community engagement strategies. There is also a functional grievance mechanism in place.

These efforts ensure that initiatives are environmentally sustainable, socially acceptable, consider climate risks, and incorporate a fit for purpose stakeholder feedback process. The mission noted that there is an opportunity for the project to translate SECAP guidelines into Tongan language and to articulate this in an appropriate approach to stakeholders i.e., SECAP examples in pictorial form or short video demonstrating practical examples related to current project activities.

**SECAP Review**

- 115. The mission noted the project has effectively integrated SECAP guidelines into its planning and monitoring procedures. This integration is evident in various aspects such as the development of Community Development Plans (CDPs), collaboration with development partners, community engagement strategies, and the planning of community interventions.
- 116. A prime illustration of SECAP integration is seen in the project's emphasis on Free, Prior, Informed Consent (FPIC), targeting the welfare of rural smallholders, youth, and women's groups. The aim is to provide land access to landless community members, regardless of gender. And recognizing the rising migration and increased female participation in plantations, the partnership among MORDI Tonga Trust, the King, and the community bears significant importance. Communities like Kolonga, Villa, Pangaimotu, Feletoa, and Tefisi have gained access to unused royal estate, aligning with efforts to ensure food security, improve nutrition, and establish livelihood opportunities. The mission visited some of these sub-projects on royal estate land in Vava'u and 'Eua.
- 117. While the SECAP assessment ranks TRIP II as medium to low risk. The project is expected to create positive environmental and social impacts for both primary beneficiaries and the wider population by promoting sustainable agricultural land use, thereby enhancing livelihoods. In addition, it will aid in ecosystem preservation and bolster the environmental management capabilities of communities and organizations involved. While potential adverse effects are mostly specific to certain sites, they are not permanent or overly complex and can be easily managed with mitigation measures.
- 118. Discussions with the PMU indicate that there were no grievances on project performance received in 2023 from project stakeholders or the public. Despite the positive feedback, the mission encourages the project to continue to raise awareness of the redress mechanism and to welcome any feedback (both positive and negative) from stakeholder. More importantly, closing the feedback loop by providing feedback to stakeholders on the status of their enquiry.

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Translate SECAP Guidelines into Tongan language	PMU	05/2024

**d. Financial Management & Execution**

**Acceptable Disbursement Rate** **Rating: 3.0** **Previous rating: 2**

**Justification of rating**

119. The automated rating based on IFAD disbursement data (resulting in a "2") was overwritten according to GUIDANCE FOR PERFORMANCE SCORES DESCRIPTORS A.4.2. ("Where additional financing has been provided it is assumed that the extension was for a good reason.") and based on the facts that the extensions of 2021 and 2023 were approved for "good reasons" (i.e. several natural disasters).

**Fiduciary aspects**

**Quality of Financial Management** **Rating: 4** **Previous rating: 4**

**Justification of rating**

120. The quality of Financial Management remains "moderately satisfactory" based on the facts that staffing is overall adequate and payment documentation is sufficient. The project is using an accounting software, but compliance with IFAD standards needs to be improved. The revised AWPB was delivered in time and is adequate. The project's activities are still negatively affected by COVID-19 and the volcano eruption in 2022. Therefore, a project extension by one year until 31 March 2025 has been approved. IFRs are usually delayed.



<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Recruit internal auditor to conduct periodic assessment and review of internal control system, procedures and documentation; submit internal audit report to IFAD</b> Recruit internal auditor to conduct periodic assessment and review of internal control system, procedures and documentation; submit internal audit report to IFAD	MORDI TT	09/2020
<b>Submission of AWPB</b> 2021-2022 AWPB is submitted to IFAD for NO	PMU	09/2021
<b>GST contribution</b> Request contribution from government for tax on quarterly basis.	PMU	10/2021
<b>Budget monitoring</b> Budget is monitored in accounting software.	PMU	11/2021
<b>Revision of Finance Manual</b> Revision of Finance manual and update with appropriate policy	PMU	12/2021
<b>Revision of Finance Manual</b> Revision of Finance manual and update with appropriate policy	PMU	12/2021
<b>Internal Audit</b> Contract chartered Accountant or accounting firm for internal audit function.	PMU	12/2021
<b>2021-2022 Audit report</b> Audit report submitted to IFAD by 31 Dec 2022	TRIP II PMU	12/2022
<b>2021-2022 Audit report</b> Audit report submitted to IFAD by 31 Dec 2022	TRIP II PMU	12/2022
<b>Request for project extension and reallocation will be sent to IFAD in Q2 2023</b> Request for project extension and reallocation will be sent to IFAD in Q2 2023	PMU	06/2023
<b>2022-2023 Audit report</b> 2022-2023 audit report will be submitted to IFAD by Dec 2023 with proper accounting standard to be stated, use of other donor fund will be included in the FS and additionally, beneficiary and Government contributions will be included in the notes.	PMU	12/2023
<b>Quarterly IFR and WA submitted to IFAD within 30 days after the quarter end.</b>	PMU, MEF	
<b>q4 2022 IFR</b> Q4 2022 will be submitted to IFAD in April 2023.		

**Quality and Timeliness of Audit**

**Rating: 4**

**Previous rating: 3**

**Justification of rating**

121. Audit Report was submitted in time. Audit standard is acceptable with minor deficiencies.

**Main issues**

122. Wording of audit opinion not correct.

<b>Counterparts Funds</b>	<b>Rating: 4</b>	<b>Previous rating: 3</b>
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**Justification of rating**

123. At the mission date, the government contribution was 11.8% of total disbursements (versus budgeted 22.9%). Counterpart fund is expected to catch up to the line when project activities resume back to normal.

<b>Compliance with Loan Covenants</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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**Justification of rating**

124. Project is in compliance with loan covenants. The ongoing counterparty financing of the government reached 0.825 million USD from negotiated 2.7 million (30.6%).

125. The Audit Report (01 Jul 2022 to 30 Jun 2022) was submitted at 23 Dec 2022. Timely submission of IFR and WA improved.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Updated Financial data/AWPBs</b> Complete all financial data/AWPB as per activities Agreed Action: Continuous and bi-annual reporting	PMU, M&E, Financial Reports	12/2023
<b>Review accounting system</b> Review accounting system To ensure compliance with IFAD standards	PMU	03/2024

**Procurement**

<b>Procurement</b>	<b>Rating: 3</b>	<b>Previous rating: 4</b>
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**Justification of rating**

126. Processes, procedures and systems applied exhibit significant shortcomings and inconsistencies across some of the requirements. Project implementation is negatively impacted and delayed; implementation support is required; resolution of issues/constraints is likely but will take some time.

**Procurement Review**

127. During the last supervision mission, the procurement was rated as moderately satisfactory due to various natural disasters impact on the project implementation such as earthquake and tsunami. Since January 2022, the project is significantly understaffed to implement the project. The project procurement specialist remains vacant and was filled by the project financial officer which led to potential conflict of interest for the project implementation, further the procurement activities conducted and implemented in 2023 were not in the approved procurement plan, although the disbursement rate 2023 was about 56%. The Procurement documents during the mission were not available. The procurement activity in 2023 was not well planned and caused significant delay on project implementation.

128. The mission rated procurement as moderately unsatisfactory, given during the mission the updated procurement plan was submitted by the project in October 2023 and none of the activity has been implemented. Critical project staff and the absent of the project procurement specialist has weaken the project performance in 2023. The mission team noticed that the project financial officer acting as procurement specialist and other roles to fill the gap. As mentioned above that the disbursement rate up to this report was 56%, however the project could not show the requested procurement document during the mission.

129. In addition, since September 2021 there is no procurement related document, the access to data and evidence related with the procurement process and source of the fund are remain unclear during the mission in 2023. The mission team especially procurement team found it difficult to access the data and relevant document during the mission. Despite the project document some of them for TRIP II is in the MORDI office however we do not see the actual and updated document related with the expenditure in 2022 and 2023, the procurement activities in 2023 were not captured in the approved procurement plan and could lead to ineligible expenditures for respective activities. Unless the project could show the likewise.

130. Since IFAD Mission was unable to undertake a review of the project procurement, the mission recommends an operation audit of the Project and its procurement by an Independent Audit or the by the Auditor General's Office. This recommendation would ensure conditions established under Section 7.05 of the General Conditions are complied with for the project to submitted withdrawal application for expenditures to be considered as eligible expenditure by IFAD in accordance with Section 4.07 of the General Conditions.

131. The Project submits its interim procurement plan for IFAD review by 15 December 2023 (in OPEN system) and submit a revised and updated PP of all new procurement by 15 January 2024 for the July 2023 to June 2024 Fiscal Period. IFAD will issue a revised PPA, subjecting a vast majority of the Project Procurement to IFAD prior review. All procurement undertaken not in compliance with the PPA and not submitted to IFAD prior review through OPEN will declared as mis-procurement. PPA is Project Procurement Arrangement to replace the Letter to Borrower (LTB) which we usually use for IFAD funded projects.

132. The mission team for procurement in this stage could not take any further analysis as the procurement documents are not available, please find below some recommendations and the priority that the project should take action to remedy the procurement situation immediately, the disbursement cannot be done without the compliance with the procurement process and it should be implemented by procurement specialist as regulated.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Interim procurement plan and updated PP</b> The Project submits its interim procurement plan for IFAD review (in OPEN system)	PMU	12/2023
<b>Procurement officer</b> Project Procurement officer should be recruitment as soon as possible	PMU/MORDI TT	01/2024
<b>Operational audit</b> Appoint or select an independent Auditor or the Office of the Auditor General to undertake an operational audit of TRIP II Project and its procurement. Submit the audit report to validate project procurement and to accept project expenditures as eligible expenditure.	Project Director, PMU and MOF	02/2024

### e. Key SIS Indicators

<b>Likelihood of Achieving the Development Objective</b>	<b>Rating: 4.34</b>	<b>Previous rating: 4.04</b>
<b>Assessment of the Overall Implementation Performance</b>	<b>Rating: 3.92</b>	<b>Previous rating: 3.67</b>

### F. Relevance

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

133. TRIP II's development objective remains relevant in the current context, even more so in its ability to tap into the needs of its target group following the HTHH and COVID-19 impacts. It also aligns to the government's development strategies and priorities. TRIP II's existing and long-lasting relationship with communities and their ongoing engagement at village and district levels demonstrates consistent responsiveness to community needs and close collaboration with Government through Local Government. This is demonstrated in the events of the volcanic eruption and tsunami response and recovery activities where MORDI TT issued its Rapid Assessment Report (RAR) one month prior to the completion of Government's Initial Damage Assessment (IDA). Access to community leaders and established village committees enabled the swift mobilization of support to complete the RAR. The RAR was a source used by development partners to leverage funding resources for the response and recovery efforts post-disaster.

Local Government acknowledges TRIP II's presence in the community as it complements and bridges a capacity gap, recognized as an important institution across communities. Local Government Division currently has 5 staff, 180 town and district officers, and 154 villages. MORDI TT and TRIP II helped local government to address community development agendas and priorities. TRIP II's flexibility to respond in a timely manner to the communities and temporarily put on hold mainstream development (as requested by the local communities and representing constituencies) aligns with a crisis induced future that is continually changing and uncertain.

The relevance of TRIP II is significant as the community development plans require revision and review to reflect new community priorities. The relocation of four (4) communities (Kanokupolu, 'Atata, Nomuka and Fono) to new village locations requires the support of TRIP II to revise their CPDs and CAPDs and reflect the changes in source of livelihood and income, new geographic location, and social equitable impacts. TRIP II's presence in the community as development partners gear up to invest in Tonga's agriculture, disaster resilience and building back better post disaster is pertinent, specifically through linking community development priorities (via CDPs and CADPs) to sustainable investments and promoting the bottom up approach. It comes down to community connections, access, responsiveness, engagement and sustainable results – attributes possessed by TRIP II and well respected by project stakeholders.

### G. Lessons Learned

#### Commitment & Leadership

134. Flexibility and adaptive management are critical when implementing projects in complex and dynamic environments. TRIP II has

learned the importance of continuously monitoring and evaluating project activities, and making necessary adjustments based on feedback and changing circumstances. This approach allows for timely identification of challenges and opportunities, leading to improved project outcomes.

## **Capacity Development**

135. Agencies and local communities is essential for achieving sustainable outcomes. TRIP II has identified the need for targeted capacity development initiatives to enhance technical skills, knowledge, and institutional capacities. Training programs, workshops, and knowledge-sharing platforms have proven effective in empowering stakeholders and enabling them to take ownership of project activities.

## **Stakeholder Coordination and Engagement**

136. Effective stakeholder coordination and engagement is crucial for successful project implementation. The project has learned that early and continuous involvement of key stakeholders, including local communities, government agencies, and development partners, helps to align project activities with local needs and ensures ownership and sustainability. Regular consultation and collaboration with stakeholders should be maintained throughout the project life cycle.

## **Community Development Plans**

137. Community awareness of their eligibility for project support, and expected contribution is crucial to the success of grant schemes. Progress of implementation is still largely dependent on the level of community participation. Without the consensus of community members and motivation, it is difficult to progress especially regarding the formulation of Community Development Plans.

## **Procurement constraints due to COVID**

138. Project progress has been hampered by disasters such as tropical cyclones, and the COVID-19 pandemic has constrained procurement of materials from outside of Tonga.

## **Exit Strategy**

139. Preparing an exit strategy for a project requires early consideration, building of partnerships with government agencies and donor programmes, and embedment with government national and regional development plans. Incorporating local government officers in training, and national development policy into the process of preparing CDP and CADP early in the project strengthens the exit strategy. A close involvement of the staff of technical agencies of the government and local government officials in the implementation of the CDP and CADPs, in addition to planning, is essential to ensure an effective exit of the project.

## **risk of unequal island project intervention**

140. Although there is a political risk of inequity, geographic focusing in terms of islands for AWPB planning would bring better results in both planning realistically and implementing disbursements. The focus could be systematically changed over the project period to cover all the targeted islands taking the learning from focused implementation.

## **Turnover issue**

141. Turnover of local government officers has been a recurrent issue and continues to be so as these officers are elected periodically. As an alternative option for providing planning and technical input to the communities, the project can emphasize more on capacity building of the Community Facilitators who would remain in the community for a longer period.

## **Knowledge Sharing**

142. Establishing project awareness and communication of 'stories' and participant profiles through social media has been very effective in reaching large numbers of people, raising the profile of the project, and as a platform for participants (both stakeholders and beneficiaries) to exchange information.

## **Fishing and Aquaculture in the Pacifics**

143. Fishing and aquaculture are important livelihood activities in some islands. TRIP II however has avoided duplicating or complicating the work of the Ministry of Fisheries which supports communities to prepare and implement Fisheries Management Plans and educate islanders to use sustainable fishing techniques.

## **Pacific Market Prices**

144. There is a notable difference in the market prices of agricultural products among the islands. Currently there is no system of providing market information to islands so that better decisions could be taken for selecting which crops to plant for local sale and off-island trade. A delegated market information collector using a digital information system could be considered to achieve this

task.

## Private Sector Engagement

145. The project has pursued partnership with the private sector traders but this has not always been successful. One of the reasons for the shortfall is that its structure and governance may not always be capable to engage in the competitive, buyer-driven value chains and market environment. For example, the construction of a warehouse on Eua Island was promoted with good intention. However, the project has lacked the necessary business knowledge and expertise to sustain this as a commercially viable operation.

## Community engagement/ buy-in

146. As indicated during a joint reflection with the Ministry of Internal Affairs, project counterparts acknowledge that changing people and communities' mind-sets is a long-term process and requires continuous dialogue with the communities.

## Developing an effective training strategy.

147. In recognition of the challenging delivery mechanisms in place across 122 communities, and substantial project efforts to strengthen local institutions' capacities, a key message that has emerged from the joint review with government counterparts has been the necessity to identify innovative ways to train communities, sustain knowledge, and ensure more regular updates of CDPs in the future.

148. The preparation of CDPs and CADPs, provides entry points for leveraging other government and donor project funds to support their implementation.

149. The CDP process has used the same approach as TRIP I. In order to expand the opportunities for livelihood activities, the project should modify the consultation approach and the scope along with the recommendation.

150. Establishment of community nurseries and cluster farming groups as part of CADPs has provided the established physical resources and capacity for other donor programs to establish trial and distribute climate-resilient planting materials.

## Marine Aquaculture

151. Introduction of marine aquaculture is very important particularly of outer islands. Generally, aquaculture has great potential for generation of foreign exchange for the country. Presently only sea cucumber production is in the process of being developed by a Chinese private company. Beside this initiative, there is no marine aquaculture in Tonga, neither in the sea nor land based RAS despite the huge potential.

## Agriculture productivity

152. Land preparation in conjunction with change of fallow system from grass to legumes are key to increased productivity. The present system is very expensive and limiting crop production to subsistence for the majority of farmers.

## Eligibility Support

153. It is difficult for communities to demand for services if awareness is not present of which activities are eligible for supported by the project. Without a positive list of activities, it appears that activities are similar across the project area and even across years.

## H. Agreed Actions

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Overview and Project Progress</b>		
<b>Internal audit</b> Internal audit for 2022 shall be performed by MOF in Q1 2023	PMU/MOF	03/2023
<b>Procurement Officer</b> Submit 3 candidates for Procurement Officer	PMU	03/2023
<b>Study</b> Undertake a study on lessons learnt and impact on rural communities under PIRAS-TRIP II activities	MORDI TT/PMU	06/2023

<p><b>Sustainability of the impact of the project</b></p> <p>Reinforce the exit strategy of the project to sustain the impact of the project in consultation with relevant entities / stakeholders.</p> <p>Rigorously track milestones in the exit and sustainability strategy to avoid slippage.</p> <p>Deadline: Immediate and Continuous</p>	PMU	12/2023
<p><b>Project staffing</b></p> <p>Finalize recruitment of the project staff to have sufficient human resources dedicated to the project</p> <p>Action: Immediate</p>	MORDI/PMU	12/2023
<p><b>Operation and maintenance</b></p> <p>Strengthen operation and maintenance arrangements for infrastructure to ensure sustainability</p> <p>Deadline: Immediate and continuous</p>	PMU	12/2023
<p><b>Training of the new TOs and DOs</b></p> <p>Conduct Induction and training of the new TOs and DOs</p> <p>Agreed Action: Immediate</p>	PMU	12/2023
<p><b>Land for construction</b></p> <p>Explore options for accessing land for construction of Community halls in Vava'u to support women's economic empowerment</p> <p>Agreed Action: Immediate and Continuous</p>	PMU	12/2023
<p><b>Gender Awareness trainings</b></p> <p>Cascade Gender Awareness trainings to the Communities</p> <p>Agreed Actions: Immediate and continuous</p>	PMU	12/2023
<p><b>Procurement officer</b></p> <p>Project Procurement officer should be recruitment as soon as possible</p> <p>Action: Before 31st January 2024</p>	Project Director or PMU	01/2024
<p><b>Interim procurement plan and updated PP</b></p> <p>The Project submits its interim procurement plan for IFAD review (in OPEN system)</p> <p>Deadline: 15 December 2023</p> <p>15 January 2024</p> <p>Submit a revised and updated PP of all new procurement for the July 2023 to June 2024 Fiscal Period.</p> <p>Deadline: 15 January 2024</p>	PMU	01/2024
<p><b>Promotion of water saving technologies</b></p> <p>In areas where there is shortage of water for irrigation, promote water saving technologies (drip)</p>	PMU	02/2024
<p><b>Financial Management and Execution</b></p> <p>Review accounting system to ensure compliance with IFAD standards</p>	PMU	03/2024

<b>Updated Financial data/AWPBs</b> Complete all financial data/AWPB as per activities Submit AWPB on time Agreed Action: bi-annual reporting June 2024	PMU, M&E	06/2024
<b>Disaster on an IFAD investment project</b> Conduct impact study of disaster on an IFAD investment project in Tonga	PMU	07/2024
<b>Preparation for the Project completion</b> As the project draws to completion, outcome and impact studies should include a gender and socio-economic analysis.	PMU	07/2024
<b>Physical data collection</b> Collect sufficient data from all interventions in the field. Report regularly the increase of the yield and household income increase Agreed Actions: Continuous and bi-annual reporting	PMU, M&E	12/2024
<b>Development Effectiveness</b>		
<b>Accessing land for construction of Community halls</b> Explore options for accessing land for construction of Community halls in Vava'u to support women's economic empowerment Agreed Action: Immediate and Continuous	PMU	12/2023
<b>Gender awareness and Training</b> Gender awareness and Training Roll out Gender and social inclusion to implementers at Island level (DOs, TOs, CFs) and the community	PMU	01/2024
<b>Promotion of water saving technologies</b> In areas where there is shortage of water for irrigation, promote water saving technologies (drip)	PMU	02/2024
<b>Nutrition awareness training</b> Provide nutrition and cookery workshops for women groups	PMU	03/2024
<b>Gender and Socio-economic analysis</b> Include gender and socio-economic analysis in the relevant study (outcome / impact studies) as the projects prepares for completion	PMU	07/2024
<b>Sustainability and Scaling up</b>		
<b>Reinforce the exit strategy of the project to sustain the impact of the project in consultation with relevant entities / stakeholders.</b> Agreed Action: Immediate and continuous	PMU	12/2023
<b>Rigorously track milestones in the exit and sustainability strategy to avoid slippage.</b> Agreed Action: Immediate and continuous	PMU	12/2023

<b>Tonga Agriculture Plan Phase II (TASP II)</b> The project should pursue working with the government to support the development TASP II	PMU	05/2024
<b>Disaster impact study</b> Conduct impact study of disaster on an IFAD investment project in Tonga	PMU	07/2024
<b>Project Management</b>		
<b>Project staffing</b> Finalize recruitment of the project staff to have sufficient human resources dedicated to the project  Agreed Action: Immediate	MORDI/PMU	12/2023
<b>Updated Financial data/AWPBs /Logframe</b> Complete and regularly report all financial data/AWPB/logframe output/outcome data as per activities.  Agreed Action: Continuous and bi-annual reporting	PMU, M&E, Financial Reports	12/2023
<b>Component 2</b> Ensure the realistic appraisals of financial viability and the number of beneficiaries on part of famers. All relevant data should be regularly monitored and reported.  Agreed Action: Continuous and bi-annual reporting	PMU, M&E, Financial Reports	12/2023
<b>Translate SECAP</b> Guidelines into Tongan language	PMU	05/2024
<b>Timely submission of AWPB</b> Submit the AWPB for 2024/25 in June 2024 as per the LTB	PMU	06/2024
<b>Physical data collection</b> Collect sufficient data from all interventions in the field. Report regularly the increase of the yield and household income increase.  Agreed Action: Continuous and bi-annual reporting	PMU, M&E	12/2024
<b>Timely results of Endline Survey</b> Timely results of Endline Survey must be available by the completion mission in June 2025.	PMU/ M&E Officer	03/2025
<b>Financial Management &amp; Execution</b>		
<b>Recruit internal auditor to conduct periodic assessment and review of internal control system, procedures and documentation; submit internal audit report to IFAD</b>  Recruit internal auditor to conduct periodic assessment and review of internal control system, procedures and documentation; submit internal audit report to IFAD	MORDI TT	09/2020
<b>Submission of AWPB</b> 2021-2022 AWPB is submitted to IFAD for NO	PMU	09/2021



<b>GST contribution</b> Request contribution from government for tax on quarterly basis.	PMU	10/2021
<b>Budget monitoring</b> Budget is monitored in accounting software.	PMU	11/2021
<b>Revision of Finance Manual</b> Revision of Finance manual and update with appropriate policy	PMU	12/2021
<b>Revision of Finance Manual</b> Revision of Finance manual and update with appropriate policy	PMU	12/2021
<b>Internal Audit</b> Contract chartered Accountant or accounting firm for internal audit function.	PMU	12/2021
<b>2021-2022 Audit report</b> Audit report submitted to IFAD by 31 Dec 2022	TRIP II PMU	12/2022
<b>2021-2022 Audit report</b> Audit report submitted to IFAD by 31 Dec 2022	TRIP II PMU	12/2022
<b>Request for project extension and reallocation will be sent to IFAD in Q2 2023</b> Request for project extension and reallocation will be sent to IFAD in Q2 2023	PMU	06/2023
<b>Updated Financial data/AWPBs</b> Complete all financial data/AWPB as per activities Agreed Action: Continuous and bi-annual reporting	PMU, M&E, Financial Reports	12/2023
<b>Interim procurement plan and updated PP</b> The Project submits its interim procurement plan for IFAD review (in OPEN system)	PMU	12/2023
<b>2022-2023 Audit report</b> 2022-2023 audit report will be submitted to IFAD by Dec 2023 with proper accounting standard to be stated, use of other donor fund will be included in the FS and additionally, beneficiary and Government contributions will be included in the notes.	PMU	12/2023
<b>Procurement officer</b> Project Procurement officer should be recruitment as soon as possible	PMU/MORDI TT	01/2024
<b>Operational audit</b> Appoint or select an independent Auditor or the Office of the Auditor General to undertake an operational audit of TRIP II Project and its procurement. Submit the audit report to validate project procurement and to accept project expenditures as eligible expenditure.	Project Director, PMU and MOF	02/2024
<b>Review accounting system</b> Review accounting system To ensure compliance with IFAD standards	PMU	03/2024
<b>Quarterly IFR and WA submitted to IFAD within 30 days after the quarter end.</b>	PMU, MEF	

**q4 2022 IFR**

Q4 2022 will be submitted to IFAD in April 2023.

## Tonga

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### **Tonga Rural Innovation Project - Phase II Supervision Report**

#### **: Logical Framework**

Mission Dates: 4 – 15 December 2023

Document Date: 25/01/2024

Project No. 2000001197

Report No. 6759-TO

Asia and the Pacific Division  
Programme Management Department



Tonga Rural Innovation Project - Phase II

Logical Framework

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency	Responsibility	
Outreach	1.a Corresponding number of households reached							Progress Report	Annual	Project	
	Women-headed households	1 450	725	1 320		1 704	129.091				
	Non-women-headed households	23 398		2 832		6 321	223.199				
	Households	6 384		4 152		7 921	190.776				
	1 Persons receiving services promoted or supported by the project							Progress Reports	Annual	Project	
	Males	7 965	3 983	7 965		14 858	186.5				
	Females	8 646	4 323	8 646		15 547	179.8				
	Young	6 684	3 342	6 781		12 865	189.7				
	Total number of persons receiving services	16 611	8 306	16 611		30 405	183				
	1.b Estimated corresponding total number of households members							Progress Reports	Annual	Project	
Household members					19 031						
Project Goal Contribute to improved and resilient livelihoods for Tonga's rural population	Improvement in household assets ownership index							RIMS impact surveys, 2016 HIES, EOP surveys, Focused group discussions (FGDs), Case studies	Beginning and End of Project (EOP)	Project Mgmt. Unit (PMU), Government of Tonga (Government)	No major changes in Government of Tonga's Strategic Development Framework (2015 - 2025).
	Households	0	80	80							
	Increased ability of people to manage environmental and climate-related risks							RIMS impact surveys, 2016 HIES, EOP surveys, Focused group discussions (FGDs), Case studies	Beginning and End of Project (EOP)	Project Mgmt. Unit (PMU), Government of Tonga (Government)	
	Males	19 398									
	Females	19 378									
	Households	6 384		4 152							

Results Hierarchy	Indicators							Means of Verification		Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency		Responsibility
<b>Development Objective</b> Communities are enabled to plan and manage resilient infrastructure and livelihood activities (including addressing food security and nutrition)	3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices							Progress Reports	EOP	PMU	Communities are willing to participate in innovative forms of planning and support, and to contribute to their development - infrastructure and livelihoods. MAFFF is prepared to cooperate with TRIP II at central, district and village levels.
	Households	0	80	80							
	Households	6 384		5 079							
	1.2.1 Households reporting improved access to land, forests, water or water bodies for production purposes							Construction supervision and inspection reports, mid-term and EOP surveys, FGDs, case studies, FFS Project Reports	EOP	PMU	
	Households reporting improved access to land	0	80	80							
	Households reporting improved access to forests	0	80	80							
	Households reporting improved access to water										
	Total no. of households reporting improved access to land	2 365	4 152	4 152							
	Total no. of households reporting improved access to forests	2 365	4 152	4 152							
	Total no. of households reporting improved access to water	0	4 152	4 152							

Results Hierarchy	Indicators							Means of Verification		Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency		Responsibility
<b>Outcome</b> Increased community capacity to manage resilient infrastructure built to required standards	2.2.6 Households reporting improved physical access to markets, processing and storage facilities							Mid-Term and EOP surveys, FGDs (gender disaggregated), case studies, gender studies on community planning, study on youth inclusion	Annual and Mid-term and EOP	PMU	MIA and MAFFF officials and technical staff willing to support plan preparation. Communities prepared to participate in planning. Communities willing to make in-kind and/or cash contributions for development of economic infrastructure. Communities willing to maintain economic infrastructure. Communities willing to participate in self-monitoring and reporting activities.
	Households reporting improved physical access to markets	0	80	80							
	Households reporting improved physical access to processing facilities	0	80	80							
	Households reporting improved physical access to storage facilities	0	80	80							

Results Hierarchy	Indicators							Means of Verification		Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency		Responsibility
<b>Output</b> 1.1 Community Development Plans (CDP)	Number people trained in community management topics (RIMS) - Town and District Officers (TOs, DOs), Committee Members (CM), and Community Facilitators (CF)							Project/training records, gender study to track women's participation, survey on youth inclusion	Biannual	PMU	MIA and MAFFF officials and technical staff willing to support plan preparation. Communities prepared to participate in planning. Communities willing to make in-kind and/or cash contributions for development of economic infrastructure. Communities willing to maintain economic infrastructure. Communities willing to participate in self-monitoring and reporting activities.
	DOs	0	19	19							
	TOs	0	122	122							
	CMs	0	14 954	18 693							
	CFs	0	62	122							
	Number of CDPs formulated and revised							Project Records, published CDPs	Biannual	PMU	
	Revised CDPs	0	60	60							
New CDPs	0	62	62								



Results Hierarchy	Indicators							Means of Verification		Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency		Responsibility
<b>Output</b> 1.2 Resilient community infrastructure based on CDPs	2.1.6 Market, processing or storage facilities constructed or rehabilitated							Mid-Term and EOP surveys, CDPs, detailed grant applications, construction supervision and inspection reports, assessments as required by Mol	Biannual	PMU	MIA and MAFFF officials and technical staff willing to support plan preparation. Communities prepared to participate in planning. Communities willing to make in-kind and/or cash contributions for development of economic infrastructure. Communities willing to maintain economic infrastructure. Communities willing to participate in self-monitoring and reporting activities.
	Total number of facilities	0	31	62		23	37.097				
	Market facilities constructed/rehabilitated	0	10	20		9	45				
	Processing facilities constructed/rehabilitated	0	10	20		8	40				
	Storage facilities constructed/rehabilitated	0	11	22		6	27.273				
	Number of community infrastructure management committees trained							Mid-Term, EOP Reports, detailed grant applications, construction supervision and inspection reports	Annual and Mid-term and EOP	PMU	
	Committee members	11 120	5 560	11 120							
	Committees	0	30	62							
Women committee members	5 560	2 780	5 560								

Results Hierarchy	Indicators							Means of Verification		Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency		Responsibility
<b>Outcome</b> Increased resilience of economic livelihoods based on climate smart and nutrition-sensitive agricultural production systems	1.2.2 Households reporting adoption of new/improved inputs, technologies or practices							Mid-Term and EOP surveys, projects Records (FFS Coordinator Reports)	Annual and Mid-term and EOP	PMU	(A) MIA and MAFFF officials and technical staff are willing to support CADP preparation. (A) Communities prepared to participate in planning. (A) Communities willing to make in-kind and/or cash contributions for the development of economic livelihoods. (A) Communities willing to maintain their investments in economic livelihoods. (A) Communities willing to participate in self-monitoring and reporting activities. (A) Farmers willing to attend and participate in structured FFS activities. (A) MAFFF significantly increases travel allowances beyond current levels. (R) MAFFF has further reductions in operational funding.
	Households	0	80	80							
	Households	4 152	4 152	4 152							

Results Hierarchy	Indicators							Means of Verification		Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency		Responsibility
<b>Output</b> 2.1 Community Agricultural Development Plans (CADPs) - reflecting climate resilient agricultural systems	Number of people trained in climate change risks and responses for increased resilience in agricultural systems							Annual Project Reports, mid-Term and EOP surveys, projects Records (Training Records)	Biannual, periodic	PMU	(A) MIA and MAFFF officials and technical staff are willing to support CADP preparation. (A) Communities prepared to participate in planning. (A) Communities willing to make in-kind and/or cash contributions for the development of economic livelihoods. (A) Communities willing to maintain their investments in economic livelihoods. (A) Communities willing to participate in self-monitoring and reporting activities. (A) Farmers willing to attend and participate in structured FFS activities. (A) MAFFF significantly increases travel allowances beyond current levels. (R) MAFFF has further reductions in operational funding.
	FFS			1 200							
	Govt. Officials	0	200	200							
	FFS - Number of women beneficiaries			600							
	Number of revised/updated village maps including data from village surveys, and included in CADPs							Projects Records, physical count of maps	Biannual	PMU	
Village Maps		60	60								

Results Hierarchy	Indicators							Means of Verification		Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency		Responsibility
<b>Output</b> 2.2 Improved practices for increased climate resilience of agroforestry systems on households' tax allotments	3.1.1 Groups supported to sustainably manage natural resources and climate-related risks							Projects/training records Focused group discussions, case studies, participatory end of FFS cycle evaluations disaggregated by gender	Biannual, periodic	PMU	(A) MIA and MAFFF officials and technical staff are willing to support CADP preparation. (A) Communities prepared to participate in planning. (A) Communities willing to make in-kind and/or cash contributions for the development of economic livelihoods. (A) Communities willing to maintain their investments in economic livelihoods. (A) Communities willing to participate in self-monitoring and reporting activities. (A) Farmers willing to attend and participate in structured FFS activities. (A) MAFFF significantly increases travel allowances beyond current levels. (R) MAFFF has further reductions in operational funding.
	Total size of groups	0	550	1 200		2 515	209.583				
	Groups supported	0	55	120		111	92.5				
	Males					902					
	Females					1 613					
	3.1.4 Land brought under climate-resilient practices							Project records (village maps), mid-Term and EOP surveys	Biannual	PMU	
	Hectares of land	0	900	2 000		1 756	87.8				

Results Hierarchy	Indicators							Means of Verification		Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency		Responsibility
<b>Output</b> 2.3 Improved practices for increased climate resilience of homestead gardens	1.1.4 Persons trained in production practices and/or technologies							Projects/training records	Biannual	PMU	(A) MIA and MAFFF officials and technical staff are willing to support CADP preparation. (A) Communities prepared to participate in planning. (A) Communities willing to make in-kind and/or cash contributions for the development of economic livelihoods. (A) Communities willing to maintain their investments in economic livelihoods. (A) Communities willing to participate in self-monitoring and reporting activities. (A) Farmers willing to attend and participate in structured FFS activities. (A) MAFFF significantly increases travel allowances beyond current levels. (R) MAFFF has further reductions in operational funding.
	Men trained in crop		205	450		687	152.667				
	Women trained in crop		200	450		1 555	345.556				
	Young people trained in crop		300	540		1 151	213.148				
	Total persons trained in crop	0	405	900		2 242	249.111				
	Agricultural production facilities with increased water availability (rainwater tanks for 60 FFS model gardens)							Project records (village maps, procurement records), mid-Term and EOP surveys	Biannual	PMU	
	Rainwater Tanks	0	27	60							
	1.1.8 Households provided with targeted support to improve their nutrition							Project records (village maps, procurement records), mid-Term and EOP surveys	Biannual	PMU	
	Total persons participating					0					
	Males					0					
	Females					0					
	Households	0	936	2 080		2 371	114				
Household members benefitted					0						

Results Hierarchy	Indicators							Means of Verification		Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency		Responsibility
<b>Output</b> 2.4 Improved agro-forestry-based production and processing centres (weaving sheds) for handicrafts	Number of processing facilities constructed or rehabilitated for cyclone proof weaving sheds							Project records (village maps, procurement records), mid-Term and EOP surveys	Biannual	PMU	(A) MIA and MAFFF officials and technical staff are willing to support CADP preparation. (A) Communities prepared to participate in planning. (A) Communities willing to make in-kind and/or cash contributions for the development of economic livelihoods. (A) Communities willing to maintain their investments in economic livelihoods. (A) Communities willing to participate in self-monitoring and reporting activities. (A) Farmers willing to attend and participate in structured FFS activities. (A) MAFFF significantly increases travel allowances beyond current levels. (R) MAFFF has further reductions in operational funding.
	Facilities	0	20	60							
	Number of women benefiting from cyclone-proof weaving sheds							Mid-Term and EOP surveys, FGDs	Biannual	PMU	
	Females	0	400	900							
	Number of mats and gatu weaved							Mid-Term and EOP surveys, FGDs	Biannual	PMU	
	Mats	0	405	1 500							
Gatu	0	243	900								

## Tonga

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### Tonga Rural Innovation Project - Phase II

### Supervision Report

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

Mission Dates: 4 – 15 December 2023

Document Date: 25/01/2024

Project No. 2000001197

Report No. 6759-TO

Asia and the Pacific Division  
Programme Management Department





**Country:** Tonga  
**Project:** TONGA RURAL INNOVATION PROJECT II

**Loan and Grant Number :** 2000001932 IFAD Grant  
2000001933 IFAD Loan  
2000003150 IFAD Additional Grant  
2000003151 Additional Loan  
2000003818 Additional RPSF Grant

**Completion mission dates:** 04 - 15 Dec 2023

**Dated:** As of Dec 2023

**Table 1A:** Financial performance by financier

Financier	Appraisal	Disbursements	Percent disbursed
	USD		
2000001932 IFAD Grant	1.500.000	1.393.244	92,88%
2000001933 IFAD Loan	1.500.000	1.393.244	92,88%
2000003150 IFAD Additional Grant	3.600.000	1.301.585	36,16%
2000003151 Additional Loan	900.000	340.000	37,78%
2000003818 Additional RPSF Grant	700.000	700.000	100,00%
Government	2.854.594	825.523	28,92%
Beneficiaries	1.430.989	1.045.364	73,05%
<b>Total</b>	<b>12.485.583,00</b>	<b>6.998.960,00</b>	<b>56,06%</b>

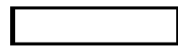
\* Including the initial advance

Utilization of IFAD portion from IFAD sources (incl. initial advance)	3.000.000,00	2.786.488,00	92,88%
Utilization of IFAD portion from overall resources (incl. initial advance)	12.485.583,00	2.786.488,00	22,32%
Factual utilization of all Project funds from overall resources (excl. initial advance factually spent)	12.485.583,00	6.998.960,00	56,06%
Factual utilization of IFAD portion from overall resources (excl. initial advance factually spent)	12.485.583,00	2.786.488,00	22,32%
Factual utilization of IFAD portion from IFAD resources (excl. initial advance factually spent)	3.000.000,00	2.786.488,00	92,88%

**Table 1B: Financial performance by component and by financier (actual expenditure)**  
**All figures are in USD with data from the project**

Component	IFAD total			Government			Beneficiaries									Total			
	Appraisal	Actual (DATA from PMU)	%	Appraisal	Actual (DATA from PMU)	%	Appraisal	Actual (DATA from PMU)	%								Appraisal	Actual	%
COMPONENT 1: COMMUNITY DEVELOPMENT	2.106.835	725.882	34,5%	406.180	51.324	12,6%	425.592	165.939	39,0%								<b>2.938.607</b>	<b>943.145</b>	<b>32,1%</b>
COMPONENT 2: SUSTAINABLE ECONOMIC LIVELIHOOD	2.449.469	646.293	26,4%	513.656	69.967	13,6%	1.005.397	879.425	0,0%								<b>3.968.522</b>	<b>1.595.685</b>	<b>40,2%</b>
COMPONENT 3: PROJECT MANAGEMENT	2.939.430	1.865.824	63,5%	1.934.758	670.459	34,7%	-	-	0,0%								<b>4.874.188</b>	<b>2.536.283</b>	<b>52,0%</b>
COMPONENT 4: ENHANCING LOCAL FOOD PRODUCTION AND IMPROVING FOOD PRESERVATION	700.000	700.000	100,0%	33.773	33.773	100,0%	-	-	0,0%								<b>733.773</b>	<b>733.773</b>	<b>100,0%</b>
								-	0,00%									-	
<b>Total</b>	<b>8.195.734</b>	<b>3.937.999</b>	<b>48,0%</b>	<b>2.888.367</b>	<b>825.523</b>	<b>28,6%</b>	1.430.989	1.045.364	<b>73,1%</b>								<b>12.515.090</b>	<b>5.808.886</b>	<b>46,4%</b>

Note: Proper supporting documentary evidence and data reconciliations sheet related to counterpart contributions (National and Beneficiary and other counterpart fundings in Cash and in-kind) of project fund was not available for verifications of counterpart contributions. Hence, we are unable to conclude whether the underlying Counterpart Contributions are authentic,



with data from FMDB 10.12.23

All figures are in USD (if not otherwise)

Table Financial performance per disbursement category - Cash at Bank and on Hand

		in SDR						in SDR						in SDR						in SDR						
Category	Category description	2000001932 IFAD Grant						2000001933 IFAD Loan						2000003150 IFAD Additional Grant						2000003151 Additional Loan						
		Original (FMD) Allocation	Disbursed (FMD)/Justified	WA Pending from PMU	Actual Expenditure from PMU	Actual Balance	Per cent spent including	Original (FMD) Allocation	Disbursed (FMD)	WA Pending	Actual Expenditure	Actual Balance	Per cent spent including	Original (FMD) Allocation	Disbursed (FMD)	WA Pending	Actual Expenditure	Actual Balance	Per cent spent including	Original (FMD) Allocation	Disbursed (FMD)	WA Pending	Actual Expenditure	Actual Balance	Per cent spent including	
	Initial advance to DA																									
1	WORKS 200003	431.000	63.850		63.850	367.150	14.8%	431.000	63.850		63.850			1.620.000	53.558		53.558	1.566.442	3.3%	410.000	13.273		13.273	396.727	3.2%	
2	CONSULTANCIES 200008	80.000	44.732		44.732	35.268	56.9%	80.000	44.732		44.732	35.268	56.9%	320.000	0		0	320.000	0.0%	80.000	0		0	80.000	0.0%	
3	EQUIPMENT AND MATERIALS 20001	42.000	41.375		41.375	625	98.5%	42.000	41.375		41.375	625	98.5%													
4	GOODS, SERVICES, INPUTS 200013	80.000	93.894		93.894	-13.894	117.4%	80.000	93.894		93.894	-13.894	117.4%	170.000	52.858		52.858	117.142	31.1%	40.000	9.725		9.725	30.275	24.3%	
5	OPERATING COSTS 200016	327.000	455.253		455.253	-128.253	139.2%	327.000	455.253		455.253	-128.253	139.2%	1.120.000	433.021		433.021	686.979		280.000	51.465		51.465	228.535		
6	SALARIES AND ADVANCES 200018															0	0					0	0			
7	TRAINING 200019	130.000	56.144		56.144	73.856	43.2%	130.000	56.144		56.144	73.856	43.2%	370.000	5.996		5.996	364.004	1.6%	90.000	1.499		1.499	88.501	1.7%	
8	VEHICLES 200021															0	0					0	0			
9	WORKSHOPS 200022															0	0					0	0			
10	Authorized allocation		240.181		0	-240.181			240.181		0	-240.181			756.151		0	-756.151			264.038		0	-264.038		
	<b>sub Total</b>	<b>1.090.000</b>	<b>995.429</b>	<b>0</b>	<b>755.248</b>	<b>94.571</b>	<b>69.3%</b>	<b>1.090.000</b>	<b>995.429</b>	<b>0</b>	<b>755.248</b>	<b>-272.579</b>	<b>69.3%</b>	<b>3.600.000</b>	<b>1.301.584</b>	<b>0</b>	<b>545.433</b>	<b>2.298.416</b>	<b>15.2%</b>	<b>900.000</b>	<b>340.000</b>	<b>0</b>	<b>75.962</b>	<b>560.000</b>	<b>8.4%</b>	

		in USD						in USD						in USD						in USD					
Category	Category description	2000001932 IFAD Grant						2000001933 IFAD Loan						2000003150 IFAD Additional Grant						2000003151 Additional Loan					
		Original (FMD) Allocation	Disbursed (FMD)/Justified	WA Pending	Actual Expenditure from	Actual Balance	Per cent	Original (FMD) Allocation	Disbursed (FMD)	WA Pending	Actual Expenditure	Actual Balance	Per cent spent	Original (FMD) Allocation	Disbursed (FMD)	WA Pend	Actual Expenditure	Actual Balance	Per cent	Original (FMD) Allocation	Disbursed (FMD)	WA Pendi	Actual Expenditure	Actual Balance	Per cent
	Initial advance to DA																								
1	WORKS 200003	603.400	88.960		88.960	514.440	14.7%	603.400	88.960		88.960	514.440	14.7%	1.620.000	53.558		53.558	1.566.442	3.3%	410.000	13.273		13.273	396.727	3.2%
2	CONSULTANCIES 200008	112.000	62.308		62.308	49.692	55.6%	112.000	62.308		62.308	49.692	55.6%	320.000	0		0	320.000	0.0%	80.000	0		0	80.000	0.0%
3	EQUIPMENT AND MATERIALS 20001	58.800	57.297		57.297	1.503	97.4%	58.800	57.297		57.297	1.503	97.4%												
4	GOODS, SERVICES, INPUTS 200013	112.000	131.712		131.712	-19.712	117.6%	112.000	131.712		131.712	-19.712	117.6%	170.000	52.858		52.858	117.142	31.1%	40.000	9.725		9.725	30.275	24.3%
5	OPERATING COSTS 200016	457.800	637.644		637.644	-179.844	139.3%	457.800	637.644		637.644	-179.844	139.3%	1.120.000	433.021		433.021	686.979		280.000	51.465		51.465	228.535	
6	SALARIES AND ADVANCES 200018															0	0					0	0		
7	TRAINING 200019	182.000	77.823		77.823	104.177	42.8%	182.000	77.823		77.823	104.177	42.8%	370.000	5.996		5.996	364.004	1.6%	90.000	1.499		1.499	88.501	1.7%
8	VEHICLES 200021															0	0					0	0		
9	WORKSHOPS 200022															0	0					0	0		
10	Authorized allocation		240.181		0	-240.181			240.181		0	-240.181			756.151		0	-756.151			264.038		0	-264.038	
	<b>sub Total</b>	<b>1.526.000</b>	<b>1.295.925</b>	<b>0</b>	<b>1.055.744</b>	<b>230.075</b>	<b>69.2%</b>	<b>1.526.000</b>	<b>1.295.925</b>	<b>0</b>	<b>1.055.744</b>	<b>230.075</b>	<b>69.2%</b>	<b>3.600.000</b>	<b>1.301.584</b>	<b>0</b>	<b>545.433</b>	<b>2.298.416</b>	<b>15.2%</b>	<b>900.000</b>	<b>340.000</b>	<b>0</b>	<b>75.962</b>	<b>560.000</b>	<b>8.4%</b>

Table List of Withdrawal Applications

2000001932 IFAD Grant

1,40

All figures are in USD

Cate	Category Name	Loan Amount	WA1	WA2	WA3	WA4	WA5	WA6	WA7	WA8	WA9	WA 10	Total
	Advance to DA		337.500	200.465	58.250	273.467	123.859	35.758	174.092	176.928	12.925		1.393.244
1	WORKS 200003	603.400		18.959		4.195	5.378	369	24.786	25.343	9.930		88.960
2	CONSULTANCIES 200008	112.000		15.588	6.517	13.053	4.187		5.505	17.411	47		62.308
3	EQUIPMENT AND MATERIALS 200011	58.800		57.297									57.297
4	GOODS, SERVICES, INPUTS 200013	112.000		4.844	10.690	32.232	8.596	12.443	27.311	35.596			131.712
5	OPERATING COSTS 200016	457.800		84.484	35.380	188.744	102.570	21.802	112.096	92.568			637.644
6	TRAINING 200019	182.000		19.293	5.663	35.243	3.128	1.144	4.394	6.010	2.948		77.823
	<b>Total</b>	<b>1.526.000</b>	<b>-</b>	<b>200.465</b>	<b>58.250</b>	<b>273.467</b>	<b>123.859</b>	<b>35.758</b>	<b>174.092</b>	<b>176.928</b>	<b>12.925</b>	<b>-</b>	<b>1.055.744</b>
	<b>IFAD</b>	<b>337.500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>337.500</b>

2000001933 IFAD Loan

1,40

All figures are in USD

Cate	Category Name	Loan Amount	WA1	WA2	WA3	WA4	WA5	WA6	WA7	WA8	WA9	WA 10	Total
	Advance to DA		337.500	200.465	58.250	273.467	123.859	35.758	174.092	176.928	12.925		1.393.244
1	WORKS 200003	603.400		18.959		4.195	5.378	369	24.786	25.343	9.930		88.960
2	CONSULTANCIES 200008	112.000		15.588	6.517	13.053	4.187		5.505	17.411	47		62.308
3	EQUIPMENT AND MATERIALS 200011	58.800		57.297									57.297
4	GOODS, SERVICES, INPUTS 200013	112.000		4.844	10.690	32.232	8.596	12.443	27.311	35.596			131.712
5	OPERATING COSTS 200016	457.800		84.484	35.380	188.744	102.570	21.802	112.096	92.568			637.644
6	TRAINING 200019	182.000		19.293	5.663	35.243	3.128	1.144	4.394	6.010	2.948		77.823
	<b>Total</b>	<b>1.526.000</b>	<b>-</b>	<b>200.465</b>	<b>58.250</b>	<b>273.467</b>	<b>123.859</b>	<b>35.758</b>	<b>174.092</b>	<b>176.928</b>	<b>12.925</b>	<b>-</b>	<b>1.055.744</b>
	<b>IFAD</b>	<b>337.500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>337.500</b>

2000003150 IFAD Additional Grant

Cate	Category Name	Loan Amount	WA1	WA9	WA10	WA11	WA12	WA13	WA14	Total
	Advance to DA		500.000	113.642	127.943				560.000	1.301.585
1	WORKS 200003	1.620.000			465	5.293	93	47.707		53.558
2	CONSULTANCIES 200008	320.000				9.551				9.551
3	GOODS, SERVICES, INPUTS 200013	170.000		2.337	11.623	14.515	63.654	14.833		106.962
4	OPERATING COSTS 200016	1.120.000		111.305	115.855	72.363	69.844			369.367
5	TRAINING 200019	370.000				2.993	935	2.068		5.996
	<b>Total</b>	<b>3.600.000</b>	<b>-</b>	<b>113.642</b>	<b>127.943</b>	<b>95.164</b>	<b>74.233</b>	<b>134.452</b>	<b>-</b>	<b>545.434</b>
	<b>IFAD</b>	<b>500.000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(95.164)</b>	<b>(74.233)</b>	<b>(134.452)</b>	<b>560.000</b>	<b>756.151</b>

2000003151 Additional Loan

Cate	Category Name	Loan Amount	WA1	WA11	WA12	WA13	WA14	Total
	Advance to DA		200.000				140.000	340.000
1	WORKS 200003	410.000		1.323	23	11.927		13.273
2	CONSULTANCIES 200008	80.000						-
3	GOODS, SERVICES, INPUTS 200013	40.000		3.629	2.388	3.708		9.725
4	OPERATING COSTS 200016	280.000		18.091	15.914	17.460		51.465
5	TRAINING 200019	90.000		748	234	517		1.499
	<b>Total</b>	<b>900.000</b>	<b>-</b>	<b>23.791</b>	<b>18.559</b>	<b>33.612</b>	<b>-</b>	<b>75.962</b>
	<b>IFAD</b>	<b>200.000</b>	<b>(23.791)</b>	<b>(18.559)</b>	<b>(33.612)</b>	<b>140.000</b>	<b>-</b>	<b>264.038</b>

2000003818 Additional RPSF Grant

Cate	Category Name	Loan Amount	WA1	WA2	WA2J	WA3	Total
	Advance to DA		630.000	70.000			700.000
1	WORKS 200003	153.000		29.451	107.769	15.526	152.746
3	GOODS, SERVICES, INPUTS 200013	547.000		40.549	148.378	358.327	547.254
	<b>Total</b>	<b>700.000</b>	<b>-</b>	<b>70.000</b>	<b>256.147</b>	<b>373.853</b>	<b>700.000</b>
	<b>IFAD</b>	<b>630.000</b>	<b>-</b>	<b>-</b>	<b>(256.147)</b>	<b>(373.853)</b>	<b>-</b>

## Tonga

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### **Tonga Rural Innovation Project - Phase II Supervision Report**

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

Mission Dates: 4 – 15 December 2023  
Document Date: 25/01/2024  
Project No. 2000001197  
Report No. 6759-TO

Asia and the Pacific Division  
Programme Management Department



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

Component / Sub-component	Indicators	Unit	PY-6		Cumulative		
			Jan - Dec 2023		Jul 2018 - Jun 2023		
			AWPB	Actual	Appraisal	Actual	%
<b>Component 1: Community Development</b> <i>1.1 Community Development Plans</i>	People trained in community management topics specified for Town and District Officers (TOs, DOs), Committee Members (CM), and Community Facilitators (CF)	DOs	11	15	19	35	184%
		TOs - Male	87	88	122	218	186%
		TOs - Female		4		9	
		CF's men	87	94	62	205	577%
		CF's women		68		153	
		CM men	870	351	18,693	8,442	94%
		CM women		519		9,134	
	No. of CDPs Formulated	New CDPs	0	0	62	62	100%
		Revised CDPs	0	0	60	60	100%
	<i>1.2 Resilient <b>Community Infrastructure</b> based on CDPs</i>	Number of market, processing or storage facilities constructed / rehabilitated	number	51	23	62	23
number			51	23	62	23	37%
No. of direct beneficiaries of community infrastructure constructed or rehabilitated		Total CMs	6,375	6,400	11,120	6,400	58%
		Women CMs	3,825	3,443	5,560	3,443	62%
<b>Component 2: Sustainable Economic Livelihoods</b> <i>2.1 Community Agriculture Development Plans (CADPs) - reflecting understanding of climate change and resilient agricultural systems.</i>	Number of people trained in climate change risks and responses for increased resilience in agricultural systems Officials	men	100	75	200	167	147%
		women		75		127	
	Number of people trained in climate change risks and responses for increased resilience in agricultural systems FFS	men	210	242	600	242	40%
		women	210	1078	600	1078	180%
	No. of revised/updated village maps including data from village surveys, and included in the CADP's	number	0	0	60	60	100%
	<i>2.2 Improved and climate resilience agroforestry systems on households' <b>tax allotments</b></i>	Number of persons/ groups supported to sustainably manage natural resources and climate-related risks	groups	84	84	120	84
men			840	204	1,200	698	92%
women				1213		400	
Area of land under improved management practices		Model Farm Acre	83	9	250	729	292%



		Cluster Farm Acre	1,567	754	4,700	1,031	22%
		Total Acre	1,650	763	4,950	1,760	36%
<b>2.3 Improved and climate resilience home gardens</b>	Number of persons trained in production practices and/or technologies	men	210	1140	450	295	66%
		women	210	97	450	1,200	267%
		youth	210	494	540	657	122%
<b>2.3 Improved and climate resilience home gardens</b>	Agricultural production facilities in vulnerable areas with increased water availability specified for rainwater tanks for 60 FFS model garden	number	42	4	60	21	35%
	Increased dietary diversity score at HH level	number	1,200	1179	1200	1179	98%
<b>2.4 Improved agro-forestry-based production and processing centres (weaving sheds) for handicrafts</b>	No. of processing facilities constructed or rehabilitated specified for cyclone proof weaving sheds.	number	20	0	60	1	2%
	Number of women benefiting from the improved cyclone-proof weaving sheds	women	300	183	900	202	22%

## Tonga

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### Tonga Rural Innovation Project - Phase II

### Supervision Report

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

Mission Dates: 4 – 15 December 2023

Document Date: 25/01/2024

Project No. 2000001197

Report No. 6759-TO

Asia and the Pacific Division  
Programme Management Department



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

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
<b>Section B 6.</b>	Opening of Designated by MORDI account in USD		Complied	
<b>Section B. 7.</b>	The Borrower/Recipient shall provide counterpart financing for the Project in an approximate amount of two million seven hundred thousand United States dollars (USD 2 700 000) to cover participating government staff salaries, duties and taxes.	2.7m USD	Partly 0.825m USD	Ongoing
<b>Section E 2.a</b>	A Memorandum of Understanding (MoU) has been signed between MFNP and MORDI TT in order to appoint MORDI TT as the LPA for the implementation of the project		Complied	
<b>Section E 2.c</b>	PMU within MORDI TT shall have been established and key Project staff, as defined in Schedule 1, shall have been appointed to the satisfaction of IFAD		Complied	
<b>Section E 2.d</b>	MORDI TT has prepared a draft PIM as described in section II of Schedule 1, in form and substance satisfactory to the Fund		Complied	
<b>Schedule 1 II. 8.1</b>	A Project Advisory Committee (PAC) shall be established and maintained throughout the entire Project Implementation Period		Complied	
<b>Schedule 3 3.</b>	The Borrower/Recipient shall ensure that Project is granted with a tax exempt status and that the proceeds from IFAD financing are not be used to pay taxes.	Tax ref	Complied	Ongoing
<b>General Conditions Section 4.02</b>	PCU to open and maintain a Project Account		Complied	Continuing action
<b>General Conditions Section 4.02</b>	Submission of first AWPB		Complied	

<b>General Conditions Section 4.04</b>	Submission of Certification of authorized signatories to WA		Complied	Continuing action
<b>General Conditions Section 4.08</b>	Submission of SoE to IFAD		Complied	Continuing action
<b>General Conditions Section 7.05</b>	Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower/Recipient's procurement regulations, to the extent such are consistent with the IFAD Procurement Guidelines		Complied	Continuing action
<b>General Conditions Section 9.02</b>	The Borrower/Recipient shall deliver to the Fund detailed financial statements of the operations, resources and expenditures related to the Project for each Fiscal Year prepared in accordance with standards and procedures acceptable to the Fund and deliver such financial statements to the Fund within four ( 4) months of the end of each Fiscal Year.		Complied	Continuing action
<b>9.03 Audit of Accounts</b>	<p>The Borrower/Recipient shall:</p> <p>(a) each Fiscal Year, have the accounts relating to the Project audited in accordance with auditing standards acceptable to the Fund and the IFAD Guidelines on Project Audits by independent auditors acceptable to the Fund;</p> <p>(b) within six (6) months of the end of each Fiscal Year, furnish to the Fund a certified copy of the audit report. The borrower/Recipient shall submit to the Fund the reply to the management letter of the auditors within one month of receipt thereof;</p> <p>If the Borrower/Recipient does not timely furnish any required audit report in satisfactory form and the Fund determines that the Borrower/Recipient is unlikely to do so within a reasonable period, the Fund may engage independent auditor of its choice to audit the accounts relating to the Project. The Fund may finance the cost of such audit by withdrawal from the Loan and/or Grant Accounts.</p>	Within 6 months of the end of each FY	Complied	The Audit Report (01 Jul 2022 to 30 Jun 2022) was submitted at 23 Dec 2022.

## Tonga

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### **Tonga Rural Innovation Project - Phase II Supervision Report**

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

Mission Dates: 4 – 15 December 2023  
Document Date: 25/01/2024  
Project No. 2000001197  
Report No. 6759-TO

Asia and the Pacific Division  
Programme Management Department



## Appendix 4: Technical background analysis

The project is using different platforms to share the experiences. **Stories from the field** can be found on project's social media platforms

Facebook: <https://www.facebook.com/morditongatrust/>

Instagram: [https://www.instagram.com/mordi\\_tonga/](https://www.instagram.com/mordi_tonga/)

Twitter: [https://twitter.com/MORDI\\_Tonga](https://twitter.com/MORDI_Tonga)

Wordpress: <https://morditongatrust.wordpress.com/>

Training material online <https://www.facebook.com/morditongatrust/>

### Partnership-Building

*In this section, report on partnerships by using the following table.*

*Details of the main project partnerships should be included, either in the text of the narrative section under the partnership-building rating, or here in this overview table. This should include the names and a brief note on the main partners/partnerships. The supervision team should also meet with partners to obtain their feedback and insights regarding the overall quality and effectiveness of the partnership and the partnership-building efforts of the project team.*

Partner Name (may also include networks, multi-stakeholder partnerships etc.)	Details of partnership <i>Indicate whether NGO, INGO, UN agency, Government agency etc. Is the partnership based on written agreement? Provide any additional details about the partnership</i>
<b>Co-financing partnerships</b>	
<b>KM and Policy partners</b>	
<b>Private Sector</b>	
<b>Coordination/Implementing Partners</b>	



## Tonga

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### Tonga Rural Innovation Project - Phase II

### Supervision Report

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

Mission Dates: 4 – 15 December 2023

Document Date: 25/01/2024

Project No. 2000001197

Report No. 6759-TO

Asia and the Pacific Division  
Programme Management Department



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

**TO:** Elizabeth Ssendiwala, Senior Regional Technical Specialist, PMI;  
Seyoum Getachew, Project Officer, APR;  
Ghulam Hulam Nabi Marri, Economist;  
Alosio Lafaele Enoke, Cross cutting themes;  
Bertram Sonntag, Financial Management Specialist;  
Harry Sudewa, Procurement Specialist

**FROM:** Candra Samekto  
Country Director, APR

**DATE:** 12 January 2024

**SUBJECT:** The Government of Tonga: Tonga Rural Innovation Project - Phase II: IFAD grant n. 2000001932 (DSF), loan n. 2000001933, additional grant n. 2000003150 (DSF), and additional loan n. 2000003151 –Supervision Mission from 04 - 15 December 2023: Terms of Reference<sup>1</sup>

### A. Background

1. The Tonga Rural Innovation Project - Phase II (TRIP II) TRIP II was approved by IFAD's Executive Board on 19 August 2017, and entered into force on 23 February 2018. Currently TRIP II financing totalled USD 12.6 million, financed by: (i) an IFAD loan of USD 5.1 million; (ii) an IFAD grant of USD 2.4 million; (iii) a government contribution of USD 2.9 million; and (iv) beneficiary contributions estimated at USD 1.4 million. IFAD has also extended US\$ 0.7 million additional grant funding through the Rural Poor Stimulus Facility (RPSF), under the Pacific Islands Rural Agriculture Stimulus Facility (PIRAS) which entered into force on 28 July 2021 and closed on 31 December 2022.
2. The project's goal is to contribute to improved and resilient livelihoods for Tonga's rural population. Its development objective is to enable communities to plan and manage resilient infrastructure and livelihood activities while addressing food security and nutrition.
3. The project has three components: (i) Community development; (ii) Sustainable economic livelihoods; (iii) Project management & coordination. It targets 122 rural communities in Tonga's five main island groups, including 60 communities targeted under the project's Phase I. The Ministry of Finance (MOF) - representative of the Borrower and Recipient - appointed the Mainstreaming of Rural Development Innovations Tonga Trust (MORDI TT) as the Lead Project Agency (LPA) who has the overall responsibility for project implementation. A Project Management Unit (PMU) was established which has the autonomy of management and has the responsibility of project management and implementation on day-to-day basis.
4. During the last supervision mission, it was found that TRIP II project has made limited progress. During this mission, the overall TRIP II performance was rated moderately unsatisfactory and found to be under Potential Problem Project (PPP). Project Improvement Plan (PIP) has been prepared to take out the project from its status and fast-track its implementation.

### B. Objectives of the Mission

5. A mission comprised of IFAD staff and experts, Government representatives and project staff will conduct the mission during the period 04 – 15 December 2025. The mission will involve field visits to selected sites (as appropriate) and in-depth discussions with project staff, implementing agencies and target communities. The main objective of the mission will be to assess the overall implementation progress towards the project development objectives. The specific objectives of the mission include:

- I Review the status of the overall project implementation progress made across the components since the last mission in December 2023, including, capacity building activities;
- II Assess the implementation of PIP;
- III Review the status of fiduciary and safeguard aspects; and
- IV Assesses the status of agreed actions from the previous supervision mission in December 2022.

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<sup>1</sup> Prepared by: Seyoum Getachew Tesfa, APR

cc: Candra Samekto, APR  
Carbone, Laura, APR  
Lovione Powell, APR

6. The mission will produce an aid memoire, summarizing the main findings and agreed actions for discussion and validation at a wrap-up meeting with the Government authorities. The mission will further produce supervision mission report as per IFAD template.

**C. Documents for Reference**

- TRIP II Design Report (PDR);
- TRIP II Financing Agreement;
- TRIP II Last Supervision mission report;
- TRIP II 2023/24 annual AWPB and Procurement Plan;
- Off-line template for Supervision Report & guidelines;
- Guidance for Performance Scores Descriptors;
- Progress Report from the project team (to be made available by the project team);
- ToR of the mission including schedule of the supervision mission.

**D. Terms of Reference for Mission members**

**7. All mission members shall deliver the following:**

- Assess the overall planning and implementation status of 2023/24 of the planned activities against targets in relation to the Annual Work Plans and Budgets (AWPBs);
- Assess the status of agreed actions from the previous mission in December 2022;
- Assess whether the implementation approach to achieve its objective is adequate or otherwise and, where necessary, make recommendations for improvement;
- Contribute to the Aide-Memoire, Supervision Mission Report (as per the task shared in the offline ORMS template) and Management Letter aspects related to your TORs;
- Prepare a Technical Annex to be submitted electronically to the Team Leader; the Annex should contain a detailed account of your findings on those aspects that are directly related to your TORs; and
- Engage with client to agree on actions.

8. **Candra Samekto, Country Director:** you will provide an overall guidance for all mission activities and assure the quality of the report. More specifically, you will:

- a) In consultation with the TRIP II implementing agencies, identify internal and external factors that could be constraining implementation progress. Jointly discuss the identified factors with the agencies and develop means of addressing those factors and establish an agreed action plan;
- b) Quality assurance: Coordinate the preparation, by the Mission, of the Aide-Memoire, Supervision Mission Report and the draft Management Letter.

9. **Seyoum Getachew, PO:** You will lead the mission and closely work with the other team members in reviewing implementation progress of TRIP II with a particular focus on Project management & coordination, partnership building, and knowledge management. You will work in accordance with the below TORs:

- a) Lead the engagement of mission members TRIP II implementing agencies, and government partners;
- b) Assess implementation progress of Component 1 (Community Development) vis-à-vis plan;
- c) Coordinate all activities of the mission ensuring full compliance with the TORs;
- d) Provide clarity on mission members' expected contribution for the Aide-memoire, and Supervision Report;
- e) Undertake any other tasks as may be requested by the Country Director.

10. **Elizabeth Ssendiwala, Senior Regional Technical Specialist:** you will closely work with the other team members in reviewing the overall implementation progress of TRIP II with a particular focus on the institutional set up and the activities conducted since the start of the project by the PMU, and provide guidance on institutional set-up under each component. In this regard, you will:

- a) Assess the progress made against the agreed action in PIP and advice the team how to enhance implementation of the agreed actions in the PIP;

- b) Review whether the project is following the right approach to achieve its targets of beneficiaries are women, respectively, identify key bottlenecks to achieve the targets, and make practical recommendations to achieve the targets;
- c) Assess the progress made by the PMU to include nutrition issues in all its plan and readiness to implement as per the plan and assess if the implementation of targeting strategy started and identify the challenges in the implementation of the guideline and provide implementable recommendations to the PMU;
- d) Identify actions to improve institutional set-up, capacity building required, and determine actions to be agreed to ensure effective implementation and deliver project results;
- e) Undertake any other tasks as may be requested by the Country Director.

11. **Ghulam Hulam Nabi Marri, Economist:** you will work closely with the mission team. You will be responsible to assesses the monetary cost of the resources against the quality and/or the (economic, social and environmental) benefits of that resources used to achieve the project goal. In particular.

- a) Liaise closely with the mission and project teams to get the required data to do analysis on VfM;
- b) Prepare and share checklist for the mission members to collect the data relevant to the VfM analysis;
- c) Analyze inputs / outcomes cost ratio (costs effectiveness) and provide professional recommendations to improve the performance status of the project;
- d) Contribute to the supervision mission report on aspects related to VfM including annexes if required;
- e) Undertake any other tasks as may be requested by the Team Leader.

12. **Alosio Lafaele Enoka, Agricultural Specialist:** will lead the assessment of the Environmental and Safeguard aspect of the project as well as assessment of Component 2 performance, and provide details and support on IFAD's SECAP guidance and policies: you will:

- a) Assess the progress of agreed actions implementation in PIP and advice the PMU on how to enhance their implementation;
- b) Assess implementation progress of Component 2 (Sustainable economic livelihoods) vis-à-vis plan;
- c) Assess the Agricultural Productivity of the project and reflect on the extent to which the project is on track to meet its broad objective;
- d) Assess Responsiveness of service providers during the implementation of the project;
- e) Assess the Effectiveness of the project and reflect on the extent to which the project is on track to meet its broad objective;
- f) Assess the progress made against the agreed action in PIP and relative to the project's Monitoring and Evaluation activity and advice the team how to enhance implementation of the agreed actions;
- g) Assess progress made thus far in setting-up the M&E function, activity and system for the project, focusing on appropriate M&E system, reporting, and logframe planned;
- h) Assess on the quality and timeliness of the AWP&B and its execution (report on annual and cumulative progress);
- i) Provide a brief analysis about the financial progress compared against the physical progress (Coherence btw. AWPB and implementation);
- j) Assess the capacity of safeguard specialists and identify the areas where IFAD can support to fill these gaps and come up with the recommendations;
- k) Perform any task requested by the mission team leader.

13. **Mr Harry Sudewa, Procurement Specialist:** The Procurement Specialist will provide advice on procurement oversight and implementation support for project procurement supervised by IFAD Country Office in the Fiji as part of IFAD Asia and Pacific Regional Office in ensuring that project procurement management are undertaken in accordance with IFAD and/or Government procurement guidelines including other relevant policies and procedures. In line with Module IV of the IFAD Procurement Manual, the Consultant should carry out the following tasks:

- a) Conduct a desk review of the project's contract portfolio in the Contract Monitoring tool before the start of the mission to identify delays, big ticket and/or problematic contracts;
- b) Review the current Procurement Plan in order to assess it has been fully updated and upgraded in the correct IFAD template or appropriate IFAD procurement system, ascertain its completeness, its concurrence with the AWPB, Financing Agreement, Project Procurement Arrangements (PPA) and Project Procurement Strategy (especially concerning packaging and value for money) and its consistency with the country systems and/or IFAD Procurement Guidelines and Handbook;

- c) Conduct a review of any significant changes in the borrower/recipient's procurement system and practices, and ensure project procurement procedures and systems are updated accordingly;
- d) Review/update the Procurement Risk Assessment, using the IFAD Procurement Risk Matrix (Chapter I of the IFAD Procurement Manual) and update the procurement section of the IPRM based on the updated PRM;
- e) Provide support, advice and recommendations on the following: • Amendments to the proposed methods of procurement, thresholds, ceilings, contract types, contractual arrangements and preferences listed in the PPA; The related IFAD review procedures and provide suggestions to improve the overall quality of the procurement processes.
- f) Based on the desk review of contract data, review a minimum sample of 10% of all post-review contracts (including contracts and agreements with implementing agencies and a sample of downstream contracts) and high risk prior review contracts during the mission for compliance with: • the applicable procurement framework: i.e.: national procurement laws and regulations consistent with the IFAD Project Procurement Guidelines and Procurement Handbook; • The approved AWPB and Procurement Plan, in terms of quality and quantities; • IFAD or national Procurement Bidding and Contract Templates (as applicable); and • IFAD's SECAP and other IFAD policies concerning anti-corruption, anti-money laundering and prevention of SH and SEA. • Compliance with good procurement practices in contracts/agreements with implementing agencies (clear deliverables, payment schedule, IFAD's right to audit, etc.)
- g) Review the procurement, contracting and implementation processes (prequalification/shortlisting, receipt of bids/proposals, bid/proposal evaluation and contract award) and timeliness and appropriateness of procurement actions;
- h) Review the management capacity and appropriateness of addressing SECAP risks through procurement (with specific focus on big ticket contracts and SECAP-related management at bidding stage and contract implementation stage), as outlined in the PIM;
- i) Assess contract administration and management procedures and review the completeness and updated nature of contract data in the Contract Monitoring Tool;
- j) Assess the procurement capacity of all entities to be reviewed in terms of manpower, levels of training of procurement staff, work environments, absence of conflict of interest with other PMU functions and the parent IA's departments and independence of procurement staff to carry out their statutory assignments;
- k) Conduct specific analysis of value for money (VFM) at all levels and the reasonableness of prices for: • Goods, equipment, etc. using available price indicators; • Civil Works, compared to locally accepted standards and prices; and • Services compare quality-output to international standards and prices;
- l) Determine whether adequate systems are in place for procurement planning, implementation and monitoring, and whether procurement documentation and records (including securities) are maintained as per required standards and can be relied upon;
- m) Verify to the extent possible, whether goods, works and consulting services contracted were supplied/completed according to the required specifications and technical standards;
- n) Review issues identified in the previous procurement review and aide mémoire and procurement related issues identified in project audit reports;
- o) Identify deficiencies and make recommendations for improvements and control mechanisms in the procurement procedures and processes;
- p) Bring to the attention of the SPO any instance of non-compliance deemed connected with malpractice or fraudulent and corrupt activities on the part of the borrower's or bidders' staff, including potential cases of mis-procurement or ineligible expenditures;
- q) Assess further procurement staff training needs and ensure relevant training is planned and provided to project management and procurement staff in a timely manner;
- r) Assess the procurement performance of the project with respect to seven designated parameters: Big Ticket Contracts and Contract Portfolio - Management Capacity of the PMU, SECAP risk management, procurement strategy & planning process, processes and procedures from Prequalification/Shortlisting to receipt of bids/proposals, process and procedures for bid evaluation and contract award, contract management and administration and CMT data accuracy and record retention;
- s) Assess the suitability and the correct compliance with the terms of any contract/agreement with implementing agencies. Downstream contracts signed by implementing agencies should be part of the post review sample in order check if the implementing agency complies with its contractual requirements. When downstream contracts are reviewed, the existence and adequacy of distribution lists should be verified (these can be requested to be brought to the PMU).
- t) List needed improvements in relation to performance and define the actions, timeline and responsibilities (agreed with either the Borrower/Recipient or IFAD) for implementation of the recommendations resulting from this review;
- u) Submit an assignment report (as per the IFAD standard format of the Procurement Review/Implementation Support Appendix, Annex 1, 3 and 6 of Chapter V of the IFAD Procurement Manual), and any other relevant ancillary documents;
- v) Carry out any other activity, as required by IFAD. In the case of the last supervision mission near project

14. **Mr. Bertram Sonntag, Financial Management Specialist:** will cover the area of financial management (FM), counterpart funds and disbursement. He will hold technical sessions with the finance team of TRIP II. In particular,

**a) Obtain the necessary documents from institutional IFAD records and familiarize with the project.**

**b) Perform a desk review:**

1. Review the results of the latest external Audit Report (including specifically the Management Letter) to ascertain whether any issues raised by the auditor identify potential fiduciary risks - where relevant follow up on issues arising by contacting the external auditors. Consult main findings, requests for clarification and action plan proposed by FMD with the latest audit review exercise.
2. Review FM recommendations and findings from the latest supervision mission (if applicable) and the list of agreed actions.
3. Determine the amount of the Withdrawal Applications (WAs) submitted to IFAD since the last supervision mission using the Historic Transaction Report (HTR). Obtain a scanned copy of these WAs and proceed to identify the sample of expenditures reported during preceding periods to be checked against relevant supporting documents.
4. Review the operation of the project Designated Account (DA), and project accounts to ensure that the DA reconciliation is correctly prepared. Validate the closing balances from copies of the bank statement and clarify the status of the reconciliation items (if any). Note down any pending payments and withdrawal applications still not paid by IFAD including replenishments, reimbursements and direct payments, identify reasons for discussion with project management.
5. Review the Financing Agreement to identify if there are specific financial management and disbursement covenants that apply and determine if these have been complied with. Identify if the Project as other co- financiers (joint or parallel), and if so, identify if such co-financiers have specific fiduciary requirements that the project has to comply with.

**c) Re-assess the Project Financial Management Arrangements:**

- 1) Perform Financial Management Performance Assessment, using the FMAQ template, to review the strengths and weaknesses of the project's financial management systems. Validate the answers by asking for electronic evidence as appropriate (organogram, staff TORs, Invoices, Financial reports, Screen shots from the accounting software, scanned documents, recent Trial Balance, etc.).
- 2) Consider changes in project design or implementation arrangements that have been implemented or are being considered by Project Delivery Team. Assess the impact of these on financial management arrangements and if any changes in the FM arrangements are required.
- 3) Together with the project Financial Controller or equivalent, review actions taken to address recommendations and validate the status of actions by asking for electronic evidence as applicable, of:
  - i. previous years' Supervision review,
  - ii. recommendations raised by external auditors on previous years management letters,
  - iii. recommendations raised by FMD during the audit review exercise; and
  - iv. follow-up on internal audit recommendations.
- 4) Perform a virtual walkthrough of the project's internal controls relating to financial management and financial administration of project funds. As part of this exercise select a sample of multiple expenditure items from each expenditure category, claimed from IFAD since the past supervision and trace the item through the whole audit trail as given below. Selection of samples should include expenditures that may be vulnerable to fraud or misuse. The size of the sample to be tested should be 20% of transaction values.
  - i. approved AWPB and procurement plan;
  - ii. IFAD non-objection (if applicable);
  - iii. contract/invoice;
  - iv. duly authorized purchase order;
  - v. accounting software ID number (transaction inserted in the accounting software);
  - vi. verification (physical and documentary) evidence as applicable that works have been completed/goods delivered/ services rendered in accordance with the contract;
  - vii. verification of payment (bank statement/cash book), and

- viii. project assets duly reflected in the fixed asset register. The collected information should be validated by reviewing scanned documents (contracts, invoices etc.) screen shots from the accounting software, pictures, videos, beneficiary interview etc. as appropriate and feasible.
- 5) Confirm the functionality of the accounting system and the financial reporting system by requesting the project to submit financial reports, extracted directly from the accounting system and compare these with the Trial Balance, bank statements and IFAD records for the same time period to determine that the accuracy and compliance with IFAD requirements.
  - 6) In addition, explore what reports can be generated automatically from the system and which reports need to be prepared/modified in excel and the type of budget controls system has. Assess if the accounting system and processes used to allocate transactions to expenditure categories and components is generally reliable. Where accounting records are maintained at multiple project locations, assess if processes to obtain timely all accounting data and reports for consolidation purposes are adequate.
  - 7) Review Withdrawal Applications together with the supporting IFRs and / or Statements of Expenditures submitted to IFAD after the previous supervision mission to:
    - i. verify adequacy, completeness and validity of claims by selecting on a sample basis expenditure item from each category of expenditures and requesting for scanned supporting documentation for these items. Note down any ineligible expenditures;
    - ii. ensure that the claimed expenditures are net of tax and that the financing percentages have been applied in accordance with Schedule 2 of the Financing agreement. Record any ineligible expenditures;
    - iii. confirm whether WAs prepared regularly, in an efficient manner and in line with the IFR submission requirements;
    - iv. discuss findings with the project finance staff and request further clarification / supporting documentation as deemed relevant.
  - 8) Based on the financial reports prepared by the project, review the overall financial performance by expenditure category and component to assess the project's overall financial performance against appraisal and against the approved AWPB. Review the cumulative status of funds by category of expenditure, approved AWPB and the project commitments (contracts signed not paid) in order to estimate the adequacy of funds and the need for category reallocations. Discuss the status of preparation of the annual financial statements (if relevant for the period).
  - 9) Review and discuss with the project financial controller the status of counterpart funding: i) whether the Borrower/Lead Project Agency made available financing proceeds to the Project, as planned; ii) whether the amount of counterpart funds provided so far in line with the minimum amount mentioned in the Project Financing Agreement and the project design report.
  - 10) Request a copy of the MoUs/contracts signed with the project's main implementing partners. Evaluate if key fiduciary provisions are included and the adequacy of financial and fiduciary arrangements included therein. Ask for a scanned copy of a fund's application submitted to the project by the implementing partner and check the relevant related supporting documentation.
  - 11) Review the project's fixed asset register so as to verify the following: i) the fixed asset register contains the necessary information and in an acceptable format; ii) assets were part of the approved procurement plan (spot check); iii) assets have been tagged with a serial number (serial number and location included in the fixed asset register); and iv) all assets were subject to an annual inventory exercise (ask for electronic copy of the report). Ensure a proper handover plan of the project assets has been formally agreed on and documented by the Project, the lead project agency and the Borrower (if the project is in a completion phase). Review how vehicle fuel use is being controlled by reference to a withdrawal application submitted in the period.
  - 12) Review and discuss with the project financial controller compliance of the loan/grant covenants to date and record any pending issues. Validate the status through scanned documents etc. as feasible.
  - 13) Review and discuss with the project financial controller the status of ineligible expenditures emerging from audit or previous supervisions, or any pending legal cases, which may imply ineligible expenditures. Record any ineligible expenditures and the proposed repayment plan.
  - 14) If the project has an Internal Audit function, review the latest internal audit report(s) and discuss with the project internal auditor the findings of the report and the status of past recommendations (if any).
  - 15) Review the audit arrangements of the past and future project audits and its timelines. If relevant, organise a tele/skype/Zoom conference with the SAI or the private audit company to



discuss issues raised in latest Audit Report and IFADs audit review. Discuss the TOR for the upcoming audit (if relevant for the period).

16) Undertake any other tasks as may be requested by the Mission Leader.

**Other mission member includes:**

15. **Lovione Powell, Country Project Assistant:** You will work closely with mission leader and with other team members and Programme Liaison Associate. Specifically, you will assist the following:

- a) Assist in facilitating contracts/travel DSA of consultants and staff;
- b) Facilitate hotel reservation for mission members;
- c) Assist logistic arrangement for the field visit based on the field plan shared by the mission leader;
- d) Facilitate Security clearances;
- e) Upload the mission report into the system.

**E. Estimated Work Requirement and indicative mission plan**

- ✓ 6 days in person visit to Sites
- ✓ 3 days in person meeting with PMU and implementing agencies
- ✓ 3 reporting writing and finalizing Supervision Mission report and AM

F. **TRIP II Supervision mission itinerary:** provided in a separate file

**Mission schedules:**

DATES	TIME	ACTIVITY
Dec 04, 2023 Monday	7:30 pm	Mission flight from Suva to Nadi
	10:00pm	Mission flight from Suva to Nad to Tonga
Dec 05, 2023 Tuesday	12:30am	<b>Mission arrives to Tonga (from Fiji)</b> Fiji Airways Flight No. FJ213Y Fua'amotu International Airport

<b>DATES</b>	<b>TIME</b>	<b>ACTIVITY</b>
	1:00am	<b>Mission Check-in to Accommodation</b> Tanoa International Dateline Hotel
Dec 05, 2023 Tuesday	09:00am	<b>Mission pick-up from the Accommodation</b> Tanoa International Dateline Hotel By: MORDI TT
	9:30 am	<b>Mission Brief</b> Board Room, MORDI Tonga Trust
	11:30 am	MORDI Demonstration and Multiplication Plot visit
	<b>12:30pm</b>	<b>Lunch break</b>
	01:30pm	<b>Mission Start-up Meeting</b> Ms. Kilisitina TUAIMEI'API, <i>Chief Executive Officer,</i> Meeting Room, St. George Building Ministry of Finance
	03:30pm	<b>Meeting with Dr. Viliami MANU</b> <i>Chief Executive Officer</i> Ministry of Agriculture, Food and Forestry
	6:00pm	<b>Meeting with Dr. Seu'ula FUA</b> <i>Chairlady,</i> Board of Trustee, MORDI Tonga Trust
Dec 06, 2023 Wednesday	08:30am	<b>Mission pick-up from the Accommodation</b> Tanoa International Dateline Hotel
	09:00am	<b>Meeting with National Planning Director</b> Ms. Ma'u Leha, PMs Office Director of National Planning
	11:00am	<b>Check-in Lulutai Airline</b> Lulutai Airline, Flight L-8012 Fua'amotu Domestic Airport
	12:30am	<b>Team departs to Vava'u</b> Lulutai Airline, Flight L-8012 Fua'amotu Domestic Airport
	1:30am	<b>Check-in Accommodation</b> Pot Wine Guest House, Neiafu, Vava'u
	2:30pm	<b>Team meeting with Hon. Lord Fakatulolo</b> Governor of Vava'u, Governor's Office - Neiafu
	03:30pm	<b>Team meeting with Mr. Salesi KAITU'U</b> Head of Department (HoD), MAFF - Vava'u
	03:00pm	<b>Team meeting with Vava'u District Officer's</b> 'Api-ko-Niue - Neiafu
Dec 07, 2023 Thursday	09:00am	<b>Mission pick-up from the Accommodation</b> Pot Wine Guest House, Neiafu, Vava'u
	09:15am	<b>Team meeting with</b> Community No. 1 Longomapu Home Garden Group and Cluster Farm Group
	11:00am	<b>Team meeting with</b> Community No. 2 Tefisi Home Garden Group & Cluster Group
	01:00pm	<b>Lunch break</b>
	02:00pm	<b>Team meeting with</b> Community No. 3 Tu'anekeviale Home Garden Group and Cluster Farm Group
	04:00pm	<b>Team meeting with</b> Community No. 5 Pangaimotu Cluster Farm Group
	05:00pm	<b>Team visits 'Api-ko-Molimolitu'u</b> Demonstration and Multiplication Plot
Dec 08, 2023 Friday	08:00am	<b>Mission pick-up from the Accommodation</b> Pot Wine Guest House, Neiafu, Vava'u
	08:30am	<b>Check-in Lulutai Airline</b> Lulutai Airline, Flight L-8013 Lupepau'u Domestic Airport
	09:30am	<b>Team departs from Vava'u</b>

DATES	TIME	ACTIVITY
		Lulutai Airline, Flight L-8013 Lupepau'u Domestic Airport
	10:30am	<b>Team arrives to Tongatapu</b> Lulutai Airline, Flight L-8013 Fua'amotu Domestic Airport
	12:00pm	<b>Team departs from Tongatapu</b> MV Malau, Voy 65 Taufa'ahau Domestic Wharf
	02:00pm	<b>Team arrives to 'Eua</b> MV Malau, Voy 65 Nafanua Domestic Wharf
	02:30pm	<b>Team meeting with Mr. Lolo FILI</b> Government Representative, 'Ohonua – 'Eua.
	03:30pm	<b>Team meeting with the District and Town Officer's,</b> 'Eua-motu'a District, 'Ohonua – 'Eua.
Dec 09, 2023 Saturday	09:00am	<b>Mission pick-up from the Accommodation</b> Pacific Sila Lodge, Sapa'ata, 'Eua
	09:15am	<b>Team meeting with</b> Community No. 3 'Esia Cluster Farm Group
	11:00am	<b>Team meeting with</b> Community No. 4 Fata'ulua Cluster Farm Group
	12:30pm	<b>Lunch break</b>
	02:00pm	<b>Team meeting with</b> Community No. 5 Pangai Cluster Farm Group
	04:00pm	<b>Team meeting with</b> Community No. 6 Houma Cluster Farm Group
Dec 10, 2023 Sunday	00:00am	RESTING
Dec 11, 2023 Monday	8:30 am	<b>Team meeting with</b> Manase Siuma <b>Private Sector, Agro processing and farm visit</b>
	2:00pm	<b>Mission pick-up from the Accommodation</b> Pacific Sila Lodge, Sapa'ata, 'Eua
	03:00pm	<b>Team departs from 'Eua</b> MV Malau, Voy 68 Nafanua Domestic Wharf
Dec 12, 2023 Tuesday	09:00am	<b>Mission pick-up from the Accommodation</b> Tanoa International Dateline Hotel
	10:00am	Bilateral meeting with PMU staff
Dec 13, 2023 Wednesday	09:00am	<b>Mission pick-up from the Accommodation</b> Tanoa International Dateline Hotel
	10:00am	Drafting Mission Aide Memoire
	12:30pm	<b>Lunch break</b>
	02:00pm	Drafting Mission Aide Memoire continue
Dec 14, 2023 Thursday	09:00am	<b>Mission pick-up from the Accommodation</b> Tanoa International Dateline Hotel
	10:00am	Circulate Mission Aide Memoire to the PAC
	11:00am	Pre-wrap up meeting with PMU
	12:30pm	Lunch break
	02:00pm	Preparation for the Mission Wrap-up
Dec 15, 2023 Friday	09:00am	<b>Mission pick-up from the Accommodation</b> Tanoa International Dateline Hotel
	10:00am	<b>Mission Wrap-up</b> Meeting Room
	11:00am	Ministry of Finance, St George Building

**People we met:**

Name	Organisation	Position	E-mail
Ms Kilisitina TUAIMEIÁPI	Ministry of Finance	CEO	ktuameiapi@finance.gov.to
Ms Siutoni TUPOU	MMAFF	Acting CEO	stupou@maff.gov.to
Soane Patolo	MORDI	CEO, MORDI	soanejr@morditonga.to
Dr. Vili Fuavao	MORDI	Trustee	afuavao@gmail.com
Kaho Ofa	MORDI	Trustee	kaho.ofa@gmail.com
Lorfan Pomana	MORDI	COO - Finance & Administration	l.pomana@morditonga.to
Tevita Tukia	MORDI	COO - Agricultural Development	t.tukia@morditonga.to
Dr. Seu'ula Fua	MORDI	Chairlady, Board of Trustee	seuula.johanssonfua@usp.ac.fj
Hon. Lord Fakatulolo	PMs Office	Governor	<a href="mailto:nopelefakatulolo@gmail.com">nopelefakatulolo@gmail.com</a>
Ofa Faoleula	Ministry of Finance	Senior Economist	ofaokula@finance.gov.to
Nick Lavema'au	Ministry of Finance	Principal Economist	nlavemaau@finance.gov.to
Saane Lolo	Ministry of Finance	Acting CEO	slolo@finance.gov.to
Siutoni Tupou	MAFF	Acting CEO	c.ake@morditonga.to
Ma'u Leha	PMs Office	Director of National Planning	mleha@pmo.gov.to
Salesi Kaitu'u	MAFF	Head of Department of Agriculture, Vava'au	<a href="mailto:skaituu@maff.gov.to">skaituu@maff.gov.to</a>
Asopesio R. Lakalaka	MAFF	Assistant to CEO	alakalaka@finance.gov.to
Lolo Fili	Local Government	Government Rep	
Ms Crystal 'Ake	MORDI	COO CCRDM	c.ake@morditonga.to
Manase Siuma	Business	Farmer/Agro processor	
<b>Vava'u Island</b>			
Paea Uasia	District officer	District officer	
Pasimata Vaisima	Local Government	District officer	
Iele Malia Rau	Local Government	District officer	
Mosaati Fosita	Local Government	District officer	
Sione Vaitalu	Local Government	District officer	
Siaosi	Local Government	District officer	
Tevita Valaoo	Local Government	District officer	
Ulalasi Vaisima	Local Government	District officer	
Vili Tafi	Local Government	District officer	
Viliami Taufua	Local Government	Town Officer	
Taimoni Vefe	Local Government	Town Officer	
Seti Palei Tupou	Local Government	Town Officer	
Tomasi Taufua	Local Government	Town Officer	
Siale Apitai	Local Government	Town Officer	
Vilimoli Havia	Local Government	Town Officer	
Otu Faigavalu	Local Government	Town Officer	
<b>'Eua Island</b>			
Tukuange Takani	Local Government	District officer	
Taniela Fatui	Local Government	District officer	
Tupou Lomitan	Local Government	District officer	
Hetu Uea	Local Government	District officer	
Kamalani	Local Government	Town Officer	
Sione Uailea	Local Government	Town Officer	
Tupou Vaea	Local Government	Town Officer	

## Tonga

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### **Tonga Rural Innovation Project - Phase II Supervision Report**

### **Appendix 6: Procurement**

Mission Dates: 4 – 15 December 2023  
Document Date: 25/01/2024  
Project No. 2000001197  
Report No. 6759-TO

Asia and the Pacific Division  
Programme Management Department



## Appendix 6: Procurement

### 1. Desk review of the project's contracts portfolio in the Contract Monitoring Tool before the mission

Big Tickets contracts	Tonga fiscal year cycle start from June to July the following year. Therefore, the procurement plan of TRIP II in Kingdom of Tonga will follow the cycle of the AWPB and/ or Tongan Fiscal Year. The procurement mission team had indicated the big-ticket contract and request the project to take 10% sampling prior and during the mission taken place in Tonga 4 <sup>th</sup> -15 <sup>th</sup> December 2023
PMU's performance in managing and administering Big Ticket Contract	There was no adequate and clear information on which packages in the procurement plan actually have been executed or implemented by the project. During the field mission the project stated that procurement activities conducted in July 2022 to June 2023 were only few has been implemented, however when it come into the supporting document, the procurement sampling was given was not in the approved procurement plan whist the latest procurement plan received No Objection by IFAD covered June 2023 to March 2024 none of them has been implemented. In contrarily the disbursement in 2023 has reached 56%. This remains unclear.
what are the sources of risk based on the portfolio of contract data that may have not been anticipated in the Project's Procurement Strategy	<ol style="list-style-type: none"> <li>1. Lack of Project Management supervision;</li> <li>2. The absent of the procurement specialist and or administrative staff to support and administered the procurement activity;</li> <li>3. Lack of transparent in project procurement reporting;</li> <li>4. Lack of the accountability of the project procurement report</li> </ol>
proposed rating for the performance of the PMU in managing Big Ticket contracts	<b>(2) Unsatisfactory:</b> The project's PPS is deficient and does not correspond to the actual risks, delays and complexities encountered in operational practice. Project performance is impacted by shortcomings in dealing with high risk and complex contracts. Additional sources of risks (e.g. clustering of non-competitive awards) are widespread. Resolution of these issues is uncertain even in the medium term.

### 2. SECAP risk management (N/A)

### 3. Procurement Strategy / Procurement Planning Process

The Procurement planning process and strategy for TRIP II Tonga fiscal year cycle start from July to June the following year. Therefore, the procurement plan of TRIP II in Kingdom of Tonga will follow the cycle of the AWPB and/ or Tongan Fiscal.

TRIP II approved procurement plan for the period July 2022 to June 2023 and June 2023 to March 2024 are remain unclear due to none of them stated has been executed or implemented, due to no Data were found during the field mission and the information gathered were not satisfied.

**(2) Unsatisfactory:** Procurement planning exhibits serious shortcomings and inconsistencies across the board and evidence indicates that the PPS-preparation process is ad-hoc and without sufficient supporting documentation. Some evidence of prohibited practices exists, and project implementation is severely impacted and delayed; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain.

### 4. Processes and Procedures from Prequalification/Shortlisting to receipt of bids/proposals

The procurement document was not found and clear during the field mission.

**(2) Unsatisfactory:** Procurement process and procedures applied exhibit serious shortcomings and inconsistencies across the board. Some evidence of prohibited practices might exist. Project implementation is severely impacted and delayed; procurement risk is high; significant implementation support and TA is required; resolution of issues/constraints is uncertain.

### 5. Processes and Procedures for Evaluation and Contract Award

**(2) Unsatisfactory:** Procurement process and procedures applied exhibit serious shortcomings and inconsistencies across the board. Some evidence of prohibited practices exists. Project implementation is severely impacted and delayed; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain.

No sampling data and document related with TRIP II were found

Processes and procedures applied by the Lead Project Implementing Agency for evaluation and contract award exhibit consistency, fairness, value for money, competition, efficiency, and responsiveness to requests for information and to complaints.	No Document Review
Processes and Procedures are consistent and comply with national procurement regulations and laws, as well as with IFAD Procurement Guidelines and Handbook, other policies and requirements, including with regard to SECAP, SH/SEA and prohibited practices, IFAD's right to audit, and provisions for prior review.	No Document Review
Proper number of evaluation committee members as per IFAD regulations, including at least 1 member with the technical knowledge and experience relevant to the type of procurement.	No Document Review
Evaluation is done across 3 steps, Preliminary Examination, Technical Evaluation and Financial Evaluation including post qualification, consistent with the methods of procurement.	No Document Review
Evidence of signatures of evaluation committee members in the pages that carry final recommendation and final scores.	No Document Review
Arithmetic corrections are accurate with evidence to show that the errors were formally communicated to bidders, and bidders' acceptance of such corrections is on record.	No Document Review
For Prior Review procurements, Technical and Combined Evaluation Reports and Draft Contracts evident with IFAD No Objection obtained.	No Document Review
Evidentiary documents and/or justification to show how bidders were eliminated from each step and whether a debriefing was conducted if requested by the bidder.	No Document Review
For Post Review procurements, same processes and procedures are applied in accordance with the applicable national law and the corresponding evaluation reports and contracts showing the steps are well-documented.	No Document Review

## 6. Contract Management and Administration and CMT data accuracy and timeliness

**(2) Unsatisfactory:** Processes, procedures and systems for administration, supervision and management of contract exhibit significant lapses and gaps in terms of performance standards, inconsistently applied controls, inefficiency, and transparency. Some evidence of prohibited practices exists. Project implementation is severely impacted; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain. The contract data in the CMT is outdated and incomplete with major contracts missing and contract progress and payments lagging behind by more than one quarter.

Some physical procurement and receipt might be available; however, it remains unclear during the field mission the data/ document were not available and well presented as requested.

## 7. Record Retention

**(3) Moderately Unsatisfactory:** The project's record retention exhibits numerous shortcomings. Project implementation is negatively impacted; further document control expertise is required; resolution of issues/constraints is likely but will take some time.

Project Procurement records might be available; however, no one takes care of this nor is in charge of this. Some of the documents might have a receipt and some of them might not.

1. Copy of the IFAD-approved Procurement Plan (PP) and its updates	Yes	
2. Signed Requisition;		NO
3. Short list report in case of Consultancy services including the No Objection;		N/A
4. Bidding Document (including any clarification and amendment);		N/A
5. No Objection to Bidding Document		N/A
6. Copy of advertisement in case of ICB or NCB;		N/A



7. Bid Opening minutes including list of attendees;		N/A
8. Appointment of evaluation committee members;		N/A
9. Bids, proposals or quotations		N/A
10. Bid/Proposals Evaluation documents and related clarifications with bidders and extension request of bid validity (if applicable), including the Bid/Proposal Evaluation Report internal approvals and IFAD's NO (usually recorded in the IFAD online procurement planning system);		N/A
11. Notification of the results and Intention to Award (NOITA);		N/A
12. Resolution of bidders' complaints proceedings;		N/A
13. Notification of the contract award (NOA);		N/A
14. Minutes of negotiations (if applicable);		N/A
15. Contract documents/ amendments and acknowledgment of amendment from the contractor/ change orders are complete and cover all project contracts in the PP and its updates		N/A
16. Invoices and other payments documents;		N/A
17. All documentation related to contract performance, such as delivery notes, progress reports and other deliverables;		N/A
18. Document related to the acceptance and the hand-over arrangements;		N/A
19. All documents related to contract disputes and dispute resolution;		N/A
20. Any other relevant documents including a copy of bank guarantees and insurance policies (if applicable).		N/A

**Overall procurement performance rating and justification**

<b><u>The total Final Score of Average</u></b>
<b><u>(Exclude SECAP)</u></b>
<b><u>Pilar 1 = (2) = 50</u></b>
<b><u>Pilar 2 = -</u></b>
<b><u>Pilar 3 = (2) = 50</u></b>
<b><u>Pilar 4 = (3) = 50</u></b>
<b><u>Pilar 5 = (3) = 50</u></b>
<b><u>Pilar 6 = (2) = 50</u></b>
<b><u>Pilar 7 = (3) = 69</u></b>

**Total = 319/6 = 53.17 = (2) Unsatisfactory**

**2 (unsatisfactory)**

Processes, procedures, and systems applied exhibit serious shortcomings and inconsistencies across the board. Project implementation is severely impacted and delayed; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain. Some evidence of prohibited practices.

The mission rated procurement as unsatisfactory, given during the mission the latest updated procurement plan was submitted by the project in October 2023 and none of the activity has been implemented. Critical project staff and the absence of the project procurement specialist has weakened the project performance in 2023. The mission team noticed that the project financial officer acting as procurement specialist and other roles to fill the gap will be potential as conflict of interest.

Since September 2021 there is no procurement related document, the access to data and evidence related with the procurement process and source of the fund are remain unclear during the mission in 2023 up to the reporting and dateline of the requested document were remain unavailable. The mission team, especially the procurement team, found it difficult to access the data and relevant documents during the mission. Despite the project document for TRIP II might be available in the MORDI office, the mission team did not see the actual and updated document related with the expenditure in 2022 and 2023.

Since IFAD Mission was unable to undertake a review of the project procurement, the mission recommends an operation audit of the Project and its procurement by an Independent Audit or the by the Auditor General's Office. This recommendation would ensure conditions established under Section 7.05 of the General Conditions are complied with in order for the project to submitted withdrawal application for expenditures to be considered as

eligible expenditure by IFAD in accordance with Section 4.07 of the General Conditions IFAD Project Procurement Guidelines section H article 68 states that "IFAD will not finance expenditures for goods, works or services that have not been procured in accordance with IFAD's Guidelines and the financing agreement. In such cases, IFAD may take remedial action as outlined in the financing agreement. The issuance of a no-objection for the award of a contract shall not prevent IFAD from declaring mis-procurement upon finding that the no-objection was issued on the basis of incomplete, inaccurate or misleading information, or that the contract was modified without IFAD's approval.

## Tonga

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### **Tonga Rural Innovation Project - Phase II Supervision Report**

### **Appendix 7: Integrated Project Risk Matrix (IPRM)**

Mission Dates: 4 – 15 December 2023  
Document Date: 25/01/2024  
Project No. 2000001197  
Report No. 6759-TO

Asia and the Pacific Division  
Programme Management Department



## Overall Summary

Risk Category / Subcategory	Inherent risk	Residual risk
<b>Country Context</b>	<b>Moderate</b>	<b>Moderate</b>
<i>Political Commitment</i>	<i>Moderate</i>	<i>Low</i>
<i>Governance</i>	<i>Low</i>	<i>Low</i>
<i>Macroeconomic</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Fragility and Security</i>	<i>Moderate</i>	<i>Moderate</i>
<b>Sector Strategies and Policies</b>	<b>Moderate</b>	<b>Moderate</b>
<i>Policy alignment</i>	<i>Moderate</i>	<i>Low</i>
<i>Policy Development and Implementation</i>	<i>Moderate</i>	<i>Moderate</i>
<b>Environment and Climate Context</b>	<b>Moderate</b>	<b>Moderate</b>
<i>Project vulnerability to environmental conditions</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Project vulnerability to climate change impacts</i>	<i>Moderate</i>	<i>Moderate</i>
<b>Project Scope</b>	<b>Moderate</b>	<b>Moderate</b>
<i>Project Relevance</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Technical Soundness</i>	<i>Moderate</i>	<i>Low</i>
<b>Institutional Capacity for Implementation and Sustainability</b>	<b>Substantial</b>	<b>Moderate</b>
<i>Implementation Arrangements</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Monitoring and Evaluation Arrangements</i>	<i>Substantial</i>	<i>Moderate</i>
<b>Project Financial Management</b>	<b>Substantial</b>	<b>Moderate</b>
<i>Project Organization and Staffing</i>	<i>Moderate</i>	<i>Low</i>
<i>Project Budgeting</i>	<i>High</i>	<i>Substantial</i>
<i>Project Funds Flow/Disbursement Arrangements</i>	<i>Moderate</i>	<i>Low</i>
<i>Project Internal Controls</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project Accounting and Financial Reporting</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project External Audit</i>	<i>Moderate</i>	<i>Low</i>
<b>Project Procurement</b>	<b>Substantial</b>	<b>Substantial</b>
<i>Legal and Regulatory Framework</i>	<i>Moderate</i>	<i>Low</i>
<i>Accountability and Transparency</i>	<i>High</i>	<i>Substantial</i>
<i>Capability in Public Procurement</i>	<i>Moderate</i>	<i>Low</i>
<i>Public Procurement Processes</i>	<i>Moderate</i>	<i>Low</i>
<b>Environment, Social and Climate Impact</b>	<b>Moderate</b>	<b>Low</b>
<i>Biodiversity Conservation</i>		<i>No risk envisaged - not applicable</i>
<i>Resource Efficiency and Pollution Prevention</i>		<i>No risk envisaged - not applicable</i>
<i>Cultural Heritage</i>		<i>No risk envisaged - not applicable</i>
<i>Indigenous People</i>		<i>No risk envisaged - not applicable</i>
<i>Labour and Working Conditions</i>		<i>No risk envisaged - not applicable</i>
<i>Community Health and Safety</i>		<i>No risk envisaged - not applicable</i>

<b>Risk Category / Subcategory</b>	<b>Inherent risk</b>	<b>Residual risk</b>
<i>Physical and Economic Resettlement</i>		<i>No risk envisaged - not applicable</i>
<i>Greenhouse Gas Emissions</i>		<i>No risk envisaged - not applicable</i>
<i>Vulnerability of target populations and ecosystems to climate variability and hazards</i>	<i>Moderate</i>	<i>Moderate</i>
<b>Stakeholders</b>	<b>Low</b>	<b>Low</b>
<i>Stakeholder Engagement/Coordination</i>	<i>Low</i>	<i>Low</i>
<i>Stakeholder Grievances</i>	<i>Low</i>	<i>Low</i>
<b>Overall</b>	<b>Moderate</b>	<b>Moderate</b>

<b>Country Context</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Political Commitment</b>	<b>Moderate</b>	<b>Low</b>
<b>Risk:</b> Constant change in government remain a risk that may affect project delivery and implementation.	Moderate	Low
<b>Mitigations:</b> The Board and management of MORDI Tonga Trust, have a very good and excellent relationship with the Government. They will continue to promote and intensify engagement with the government.		
<b>Governance</b>	<b>Low</b>	<b>Low</b>
<b>Risk:</b> The risk that the country exhibits governance failures that may undermine project implementation and achievement of project development objectives is low because the project is commissioned by the Government to a civil society organisation.	Low	Low
<b>Mitigations:</b> The project has been commissioned to a civil society organisation with extensive track record and long partnership with IFAD. IFAD has invested substantially in building capacity of the CSO and of Government.		
<b>Macroeconomic</b>	<b>Substantial</b>	<b>Moderate</b>
<b>Risk:</b> Over the last decade, Tonga's real GDP averaged around 1.3 percent growth per annum. This figure, which is well below the regional average, has been further reduced by the impact of the global economic crisis particularly with the onset of the corona virus.	Substantial	Moderate
<b>Mitigations:</b> (i) Fundamental change in the governance structures for rural communities and outer islands beginning a process that will empower communities and build more self-reliance at all levels to address community development needs. (ii) Further, this strategy will assist the communities to gain a clear understanding of the development process and the possible sources of development assistance that will support their development needs and priorities'.		
<b>Fragility and Security</b>	<b>Moderate</b>	<b>Moderate</b>

<p><b>Risk:</b></p> <p>Tonga is one of the highest ranked countries in terms of vulnerability to climate change and natural disasters (e.g. cyclones)</p>	Moderate	Moderate
<p><b>Mitigations:</b></p> <p>Community trained in the formulation of Community Disaster Preparedness Plan so that they can better adapt to natural disasters.</p>		
<p><b>Sector Strategies and Policies</b></p>	<b>Moderate</b>	<b>Moderate</b>
<p><b>Policy alignment</b></p>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>Non-conducive land tenure systems under which land and tax allotments are allocated to elder male heirs and are often abandoned and unproductive.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>Identification, preparation and implementation of income generating activities, which favours employment opportunities for the poor, and for women.</p>		
<p><b>Policy Development and Implementation</b></p>	<b>Moderate</b>	<b>Moderate</b>
<p><b>Risk:</b></p> <p>Government policies and strategies particularly those relating to poverty reduction and agriculture are responsive to the needs of rural people. However, there is a risk in the implementation of these strategies with more emphasis on supply driven and production oriented approach.</p>	Moderate	Moderate
<p><b>Mitigations:</b></p> <p>Project emphasis on a more bottom up approach, with investments to ensure that farmers have the technical skills to be better linked to identified agricultural value chains.</p>		
<p><b>Environment and Climate Context</b></p>	<b>Moderate</b>	<b>Moderate</b>
<p><b>Project vulnerability to environmental conditions</b></p>	<b>Moderate</b>	<b>Moderate</b>
<p><b>Risk:</b></p> <p>Tonga is highly vulnerable to cyclones.</p>	Moderate	Moderate
<p><b>Mitigations:</b></p> <p>Community trained in the formulation of Community Disaster Preparedness Plan so that they can better adapt to natural disasters</p>		
<p><b>Project vulnerability to climate change impacts</b></p>	<b>Moderate</b>	<b>Moderate</b>
<p><b>Risk:</b></p> <p>Climate change impact, including extreme weather events such as cyclones and rising sea levels poses significant risks to project investments such as community economic infrastructure (Cpt. 1) and agriculture investment activities (Cpt.2).</p>	Moderate	Moderate

<p><b>Mitigations:</b></p> <p>(i) Provide training to communities, e.g. disaster risk management training provided under MORDI Programme.</p> <p>(ii) Cooperation with development partners who place emphasis on aligning Tonga's aid flows with fund environment interventions in the area of climate change and related fields.</p> <p>(iii) Implement climate resilient infrastructure and climate resilient agriculture activities.</p>		
<b>Project Scope</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Project Relevance</b>	<b>Moderate</b>	<b>Moderate</b>
<p><b>Risk:</b></p> <p>The project targets isolated rural communities and including to women and youth whose economic opportunities are limited and where there is comparatively lower efficacy in Government support. The risks outlined elsewhere, such as cyclones or natural disasters, may however require recalibration of work plans from time to time to ensure short-term recovery needs are in place for communities.</p>	Moderate	Moderate
<p><b>Mitigations:</b></p> <p>The project will collaborate with Disaster Response Authority and internalise natural disaster risks in its strategy, including planning for additional resource/staffing mobilisation for recovery efforts.</p>		
<b>Technical Soundness</b>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>(i) Remoteness, transport and communication obstacles which could result to under achievement of Project objectives, outcomes and outputs</p> <p>(ii) Lack of community financial contributions for community economic infrastructure and sustainable livelihoods</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>Phased implementation approach to access remote areas.</p>		
<b>Institutional Capacity for Implementation and Sustainability</b>	<b>Substantial</b>	<b>Moderate</b>
<b>Implementation Arrangements</b>	<b>Substantial</b>	<b>Moderate</b>
<p><b>Risk:</b></p> <p>(i) MORDI TT staff retention.</p> <p>(ii) Inability of MAFFF to fulfil its role of providing extension officers for farmer field schools and related extension activities.</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>All staff positions have been filled and solutions founds for positions with no qualified applicants</p>		
<b>Monitoring and Evaluation Arrangements</b>	<b>Substantial</b>	<b>Moderate</b>
<p><b>Risk:</b></p> <p>M&amp;E processes and systems within the implementing agency are weak or inefficient. This result in a limited ability to monitor, validate, analyse and communicate results, capture lessons, and adjust implementation to seize opportunities and take corrective actions in a timely manner.</p>	Substantial	Moderate



<b>Mitigations:</b> (i) Strengthen M&E systems. (ii) Enhance capacity of staff.		
<b>Project Financial Management</b>	<b>Substantial</b>	<b>Moderate</b>
<b>Project Organization and Staffing</b>	<b>Moderate</b>	<b>Low</b>
<b>Risk:</b> • Key financial and admin staff with adequate experience are on board.	Moderate	Low
<b>Mitigations:</b> • In-house training and reassignment to current finance and admin staff • Two Finance Staff currently working for the project; • Chief Operation Officer – Finance oversees, monitors, verifies expenditures are in line with AWPB and generate reports accordingly; • Finance Officer prepare, collect and compile all payments with adequate supporting documents in place including checking travel advances and acquittals before submission to COO-Finance for verification.		
<b>Project Budgeting</b>	<b>High</b>	<b>Substantial</b>
<b>Risk:</b> • Timely submission of AWPB	High	Substantial
<b>Mitigations:</b> • Monitoring recurrent expenditure and allocation to ensure the compliance with the financing covenant. • AWPB is monitored quarterly with generation of IFR Reports;		
<b>Project Funds Flow/Disbursement Arrangements</b>	<b>Moderate</b>	<b>Low</b>
<b>Risk:</b> • Counterpart funding is slow but it is anticipated that it will increase after restructuring • Government staff salary is reported for Counterpart funding on quarterly basis.	Moderate	Low
<b>Mitigations:</b> • IFR prepared in IFAD format. • Request contribution from government for tax on quarterly basis. • IFR and WA is submitted on a timely basis.		
<b>Project Internal Controls</b>	<b>Substantial</b>	<b>Moderate</b>
<b>Risk:</b> • Payments are properly approved with fair supporting documentation. • Finance Manual is not updated since project commencement. • Goods procured not in line with procurement plan. • Internal Audit cannot be carried out to comply with finance manual	Substantial	Moderate
<b>Mitigations:</b> • Review and update finance manual in 1st quarter of 2024 • Internal audit is arranged in 1st quarter of 2024 • Strictly follow IFAD and best practice procurement policy. • Sufficient supporting documents attached to payment voucher.		
<b>Project Accounting and Financial Reporting</b>	<b>Substantial</b>	<b>Moderate</b>

<b>Risk:</b> <ul style="list-style-type: none"> <li>• Interim Financial Reports is prepared as well as unaudited financial statements before it is audited. Submission of IFR are normally delayed after 45 days rule.</li> <li>• supporting documentation is not timely provided to the mission.</li> </ul>	Substantial	Moderate
<b>Mitigations:</b> <ul style="list-style-type: none"> <li>• Transactions is being entered directly into the accounting system and payment vouchers printed directly from accounting system.</li> <li>• Ensure 2023-2024 AWPB is entered into MYOB.</li> <li>• Procurement policy is followed and supporting documents are obtained to ensure full compliance with the policy.</li> </ul>		
<b>Project External Audit</b>	<b>Moderate</b>	<b>Low</b>
<b>Risk:</b> <ul style="list-style-type: none"> <li>• The Audit Report (01 Jul 2022 to 30 Jun 2023) was submitted at 23 Dec 2023.</li> <li>• Not fully in compliance with IFAD requirements</li> </ul>	Moderate	Low
<b>Mitigations:</b> <ul style="list-style-type: none"> <li>• Information of E&amp;Y on IFAD requirements</li> <li>• ML should provide view and findings on internal control.</li> </ul>		
<b>Project Procurement</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Legal and Regulatory Framework</b>	<b>Moderate</b>	<b>Low</b>
<b>Risk:</b> <p>The risk that the Borrower's regulatory are generally adequate, however the institutional capacity and practices (including compliance with the laws) The Tongan Public Procurement unit under the Tongan Ministry of Finance having moderately risk due to the Tongan procurement unit is not independent entity and still under the Ministry of finance and risk of the oversight to each of public procurement project including TRIP II is not day to day report to this unit.</p>	Moderate	Low
<b>Mitigations:</b> <ol style="list-style-type: none"> <li>1) Review periodically the application procurement in accordance with the Project Procurement Manual.</li> <li>2) The project should consul periodically to Tongan procurement unit in Ministry of Finance and together with IFAD procurement unit.</li> <li>3) The project should provide procurement specialist person to Liaison between the project, Tongan National Procurement Unit and IFAD.</li> </ol>		
<b>Accountability and Transparency</b>	<b>High</b>	<b>Substantial</b>
<b>Risk:</b> <p>The risk that accountability, transparency and oversight arrangements from the project to Tongan National Procurement Unit and IFAD are at the high Risk. Due to there are no availability of the procurement document during the supervision which implicate that there are remain unclear procurement process which also could related with transparency and oversight.</p>	High	Substantial

<p><b>Mitigations:</b></p> <ol style="list-style-type: none"> <li>1) Provide confidential report of complains received, under investigation and resolved.</li> <li>2) Establish appropriate level of procurement reviews post and prior based on risk</li> <li>3) Identify and report on risk flags during procurement supervision</li> <li>4) Use IFAD standard bidding documents which include provisions for prohibitive practises and safeguards</li> <li>5) Establish and improve better project record management for any procurement process.</li> <li>6) More transparent in any procurement process by providing the supporting procurement document</li> </ol>		
<p><b>Capability in Public Procurement</b></p>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>Implementing Agency in principle have sound process sound processes, procedures, systems and personnel in place for the administration, supervision and management of contracts resulting in adverse impacts to the development outcomes of the project. However, the Executing Agency in this regard are not providing the dedication person to process and conduct the procurement cycles accordance with the Tongan Procurement System and required by IFAD. The IFAD procurement training is attended by project finance person and project manager who has no direct responsible for procurement. Therefore, the procurement implementation face delay due to no one prioritise procurement process and planning.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <ol style="list-style-type: none"> <li>1) Retain procurement professional (Project Procurement Specialist) to support the project intermittently</li> <li>2) Provide retaining a qualified Procurement Officer</li> <li>3) Periodic training and support to be provided to various implementing agencies teams.</li> </ol>		
<p><b>Public Procurement Processes</b></p>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>The risk that procurement processes and market structures (methods, planning, bidding, contract award and contract management) are inefficient and/or anti-competitive, resulting in the misuse of project funds or sub-optimal implementation of the project and achievement of its objectives.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <ol style="list-style-type: none"> <li>1). Retain procurement professional to support intermittently</li> <li>2). Identify and report on risk flags during procurement supervision.</li> </ol>		
<p><b>Environment, Social and Climate Impact</b></p>	<b>Moderate</b>	<b>Low</b>
<p><b>Biodiversity Conservation</b></p>		<b>No risk envisaged - not applicable</b>
<p>The programme invests in small scale community infrastructure and more sustainable agricultural practices on existing farm land.</p>		
<p><b>Resource Efficiency and Pollution Prevention</b></p>		<b>No risk envisaged - not applicable</b>
<p>The programme invests in sustainable agriculture and small scale community infrastructure.</p>		
<p><b>Cultural Heritage</b></p>		<b>No risk envisaged - not applicable</b>

The programme supports community halls for handicraft production. Participatory and inclusive community planning anchors activity planning and supports cultural heritage.		
<b>Indigenous People</b>		<b>No risk envisaged - not applicable</b>
Indigenous assets and livelihoods are supported by the project, no encroachment.		
<b>Labour and Working Conditions</b>		<b>No risk envisaged - not applicable</b>
No impact on formal nor informal labour. Cooperation with ILO is planned towards recognising and enhancing conditions in the informal economy.		
<b>Community Health and Safety</b>		<b>No risk envisaged - not applicable</b>
Small scale infrastructure such as improved water harvesting and water supply will improve health and safety.		
<b>Physical and Economic Resettlement</b>		<b>No risk envisaged - not applicable</b>
No resettlement involved. Investments will strengthen local communities.		
<b>Greenhouse Gas Emissions</b>		<b>No risk envisaged - not applicable</b>
Sustainable land management supported by the community development and agriculture component will improve carbon capture.		
<b>Vulnerability of target populations and ecosystems to climate variability and hazards</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk:</b> Climate change risks, including extreme weather events threaten community economic infrastructure and agriculture investment activities.	Moderate	Moderate
<b>Mitigations:</b> (i) Provide training to communities, e.g. disaster risk management training provided under MORDI Programme. (ii) Cooperation with development partners who place emphasis on aligning Tonga's aid flows with fund environment interventions in the area of climate change and related fields. (iii) Implement climate resilient infrastructure and climate resilient agriculture activities.		
<b>Stakeholders</b>	<b>Low</b>	<b>Low</b>
<b>Stakeholder Engagement/Coordination</b>	<b>Low</b>	<b>Low</b>
<b>Risk:</b> MAFFF is unable to fulfil its role in terms of providing extension officers for FFS and ongoing extension activities. TRIP II will have to depend entirely on FFS facilitators (lead farmers) selected from target communities; and not rely on public sector services.	Low	Low

<p><b>Mitigations:</b></p> <p>TRIP II will train 10 Master FFS Trainers from MAFFF and 10 from the private sector, and/or lead farmers - as an "insurance" policy against this possible risk.</p>		
<p><b>Stakeholder Grievances</b></p>	<b>Low</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>The inclusive and participatory CDP approach ensures that public investments respond to priorities established by a broad range of households and not only to the leadership/elite. Channels for expressing grievances exist but the country is small and stakeholders may be concerned of retribution risks.</p>	Low	Low
<p><b>Mitigations:</b></p> <p>MORDI, the lead implementing partner, is re-visiting its delivery mechanisms and IFAD will support in ensuring that safe grievance channels are part of its approach.</p>		