Investing in rural people

Islamic Republic of Pakistan

Southern Punjab Poverty Alleviation Programme

Mid-Term Review Report

Main report and appendices

Mission Dates:	7 to 21 January 2015
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Asia and the Pacific Division
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Table of Contents

Appendices

Abbreviations and acronyms

AWP&B	Annual WorkPlan & Budget
BISP	Benazir Income Support programme
COs	Community Organizations
CPI	Community Productive Infrastructure
DMUs	District Management Units
FFS	Farmers Field School
FVA	Female Veterinary Assistants
GoP	Government of Pakistan
GoPb	Government of the Punjab
HHs	Households
IFAD	International Fund for Agricultural Development
LAMP	Livestock Access to Market Project
LSOs	Local Support Organizations
M&ES	Monitoring & Evaluation System
MIS	Management Information System
NARC	National Agriculture Research Institute
NRSP	National Rural Support Programme
PC-I	Planning Commission Proforma 1
PCS	Project Steering Committee
P&D	Planning & Development
PBAS	Performance Based Allocation System
PD	Project Director
PDR	Project Design Report
PMU	Project Management Unit,
PSC	Poverty Score Card
RIMS	Results & Impact Management System
SPPAP	Southern Punjab Poverty Alleviation Project
TEVTA	Technical Education and Vocational Training Authority
TOR's	Terms of Reference
UCs	Union Councils
UVAS	University of Veterinary and Animal Sciences
VOs	Village Organizations
WA	Withdrawal Application

A. Introduction[1]

1. An IFAD mission visited the Southern Punjab Poverty Alleviation Project (SPPAP) from 7 to 21 January to undertake the project's mid-term review. The main objectives of the mission were to: (i) assess progress toward achieving SPPAP objectives; (ii) review SPPAP's effectiveness and efficiency; and (iii) make recommendations to address SPPAP's classification as a problem project, and enhance its impact and sustainability.

2. The mission visited all four districts of the project area, interacted with the targeted communities, held discussions on their key needs and priorities in terms of food security, employment and poverty alleviation, observed the different activities provided by the project, and held meetings with SPPAP's implementing partners, the departments of Agriculture, Livestock and the P&D Department of the Government of Punjab. The mission held a pre–wrap up meeting with the PMU and implementation partners on 15 January in Bahawalpur.

3. The mission's wrap up with the Government of Punjab took place in Lahore on 19 January under the chairmanship of the Chairman of the Planning and Development Board. A final wrap up meeting was held in Islamabad on 21 January 2015 chaired by Mr Omar Hamid Khan, Senior Joint Secretary EAD. The mission wishes to express its sincere thanks to the Government of Pakistan, the Government of Punjab, the SSPAP project team, and all the implementation partners for their warm welcome and support to the Mid-term review mission.

B. Overall assessment of Project implementation

4. SPPAP –funded by a $40 million IFAD loan on highly concessional terms– aims to contribute to the reduction of poverty in the Southern Punjab project area by increasing the incomes of 80,000 poor households through enhancing employment potential and increasing agriculture productivity and production. Approved by IFAD's Executive Board in December 2010, SPPAP became effective in September 2011 and is due for completion in September 2016.

5. Overall implementation progress and likelihood of achieving project objectives are both rated as *moderately unsatisfactory*. Although more than two thirds of the project duration passed by the time of this review, loan disbursement stood at only 22%. Implementation progress is far below planned targets until year 3. Operationally, a number of initiated activities are not demonstrating the desired effects; some activities have started only recently; while others are yet to be initiated, allowing for only a short period of implementation and technical oversight by project completion. Expenditures over the past 6 months are also below the target for this semester. The undisbursed loan amount currently stands at $31 million, with little over 1.5 years remaining.

6. These circumstances have compromised the project's effectiveness and undermined the achievement of its objectives. The fulfilment of the project's objective has been limited, and is considered unlikely to be sustainably met by project completion date.

7. Additionally, the mission wishes to reiterate IFAD's concern regarding the continued absence of an automated financial management system for SPPAP, as already recommended in IFAD missions since January 2014. IFAD considers the current management of financial resources (through ad-hoc use of excel sheets for financial and physical reporting) as inefficient, prone to error, and not acceptable for a $40 million loan. Moreover, SPPAP has not submitted the requisite annual audit for the past two fiscal years (due, as per financing agreement, on 31 December each year).

8. SPPAP has also not undertaken the requisite baseline survey. Without adequate benchmark comparators captured through a baseline survey, SPPAP will face difficulties in reportingon changes in livelihoods of the target group. Those activities for which progress has been registered have not yet been carefully assessed against the SPPAP outcome and impact indicators.

9. IFAD therefore rates SPPAP as a problem project, or *project at risk*. SPPAP's overall impact, efficiency and sustainability in terms of food security and income improvement remain a challenge. The anticipated support to targeted households is now restricted to about 2 years in total (including

[1] Mission composition: Hubert Boirard, CPM and Mission Leader; Tawfiq El-Zabri, APR Programme Officer and Team Leader; Qaim Shah, Senior Country Programme Officer; Abdul Karim, IFAD Implementation Officer; Arsalan Vardag, Financial Advisor; Shankar, Xuan Gao, Legal Counsel; Mohammed Bousselham, Senior Finance Officer; Virginia Cameron, Senior Finance Officer; Mr Arif Raza, Asst. Chief of Regional Planning in P&D Punjab. The mission split into three teams that visited the field between the period of 8 to 15 January prior to wrap-up meetings in Bahawalpur, Lahore and Islamabad.

the past 6 months). The exit strategy of such short-duration interventions is not clearly articulated; nor is it clear how the sustainability of these activities will be ensured after project completion.

C. Outputs and outcomes

Component 1: Livelihood Enhancement

10. The rating of component 1 is *moderately unsatisfactory*. The achievement of component 1 physical and financial targets is summarised below:

		Physical			Financial (PKR million)		
	Unit	Target	Achieved	%	Appraisal	Spent	%
Livestock	HHs	30 000	9809	33%	672	337	50%
Land	HHs	1 541	755	49%	134	70	52%
Trainings:							
Vocational	trainees	11 555	442	4%	447	29	6%
Entrepreneur	trainees	3 081	25	1%	77	6	8%
Business Incubation	trainees	770	0	0%	31	0	0%
Equipment	trainees	14 637	0	0%	295	0	0%
Business Development Assoc.		4	0	0%	1	0	0%
Infrastructure	scheme	1 300	165	13%	986	258	26%

Source: PMU powerpoint presentation, 8/1/2015

11. **Asset Creation** is rated as *moderately satisfactory*. This first subcomponent requires Community Organisations (of around 20 persons) to agree on recipient households among the 0-18 poverty bands and submit requests for grant packages aligned with priorities set in locally-generated development plans. The mission noted that COs have indeed been used as a suitable validation point for the targeted provision of small ruminants (2 animals) and land plots to households classified as poor, as well as an entry point for community infrastructure investments.

12. In total, 9,800 households have received livestock packages, against an appraisal target of 30,000 and an annual target of 16,000 households. The cost per household has surpassed the cost estimates, drawing 50% of budget for 33% of target. Presumably to help meet physical targets, the poverty band of recipients has been increased to 0-18 on the Poverty Scorecard, as opposed to 0-11 specified in the financing agreement. In addition, 755 landless women have received land plots for housing purposes, 342 during the last semester.

13. Community Resource Persons (such as leaders of Local Support Organisations) play an important role in activating groups and expanding membership from the poor, and help reduce transaction costs for NRSP mobilisers. While NRSP has thereby re-organised COs to include rural poor households as members, the mission could not find evidence that interventions are directly linked with the preparation or execution of bottom-up village development plans (as envisaged at project design), nor with strengthening the capacities and capabilities of COs to become drivers of local economic growth.

14. The mission observed that, due to their extreme poverty and lack of labour or materials beyond those required for daily sustenance, recipients of land plots are not able to make use of these plots without housing construction- indicating that these investments have not been effective in transforming the livelihoods of the extreme poor. Although the provision of livestock is well-targeted and has ensured private benefits to poorest households, the re-organisation of beneficiary groups has not contributed tangibly to the strengthening and sustainability of community organisations.

15. **Vocational and Entrepreneurial Training** is rated as *moderately unsatisfactory*. These trainings have been initiated recently and aim at assisting low-paid agricultural households to engage in remunerative off-farm employment activities. Only 440 trainees have benefited from this activity so far (against a target of 11,500). The mission noted that there is no direct link between this activity and other SPPAP activities; and that the duration of trainings and coaching is now quite limited, particularly for entrepreneurial coaching and establishment of functional and durable business associations.

16. **Community Physical Infrastructure** is rated as *moderately unsatisfactory.* Out of a total anticipated target of 1,300 community infrastructure schemes, 165 have been completed to date, most in the last semester. Investments range from household energy, to sanitation, drinking water, irrigation and roads and culverts. Some of these schemes- particularly solar energy and biogas- provide private benefits to households in higher income brackets of the target group, at significantly high cost per household. These schemes have been grouped under 'community initiatives' simply due to the provision of private benefits to several households at one time.

Component 2: Agriculture and Livestock Development

17. Component 2 is considered *unsatisfactory*. The achievement of component 2 physical and financial targets is summarised below:

		Physical			Financial (PKR million)		
	Unit	Target	Achieved	%	Appraisal	Spent	%
Productivity Enhancement Initiatives	HHs	15 410	6890	45%	352	143	41%
Farmer Field Schools	HHs	11 555	0	0%	264	0	0%
FFS Associations		4	0	0%	1	0	0%
Trainings							
Female Vet Asst	trainees	80	0	0%	77	0	0%
Para-vets	trainees	200	0	0%	22	0	0%
Community Service Providers	trainees	368	0	0%	25	0	0%
Equipment (CSPs)		368	51	14%	74	15	20%

Source: PMU powerpoint 8/1/2014

18. **Productivity Enhancement Initiatives (PEIs)** subcomponent is rated *moderately unsatisfactory.* Most PEI grants have so far been provided for seed and fertilizer for high value agriculture crops. The mission considers PEIs, delivered as one-off grants to individual farmers, unsustainable; and, therefore, insufficient to resolve the medium-term challenges facing impoverished farming households.

19. **Veterinary Training** subcomponent is rated *unsatisfactory*. The mission noted the challenges in identifying female veterinary trainees for a lengthy 2-year training course. SPPAP is also yet to initiate the shorter, para-vet trainings to strengthen the capacity of local women in livestock management.

20. **Farmer Field Schools (FFS)** subcomponent is rated *highly unsatisfactory*. FFS activities are yet to be initiated. Given the limited duration to the end of the Project and in view of the challenges and complexity of effectively rolling out and sustaining FFS learning, this activity is unlikely to succeed in meeting its outcome targets.

21. **Community Service Providers** subcomponent is rated *unsatisfactory*. Like PEIs, these are one-off grants (subsidies), in this case for better-off single households. However, the size of the subsidy, 50% of the price of large equipment, is not commensurate with grant size provided to poorer households. It is envisaged that recipient households would assist participating COs to improve their agricultural productivity by providing mechanised farming services. Procurement is undertaken individually, at high transaction cost (without benefit of discounted pricing that may have resulted from aggregated procurement). The cost per recipient has surpassed the cost estimates, drawing 20% of budget for 14% of target. Moreover, the value added from this activity is not demonstrated through the SPPAP M&E system.

D. Project implementation progress

Quality of Project Management

22. Project management is *moderately satisfactory*. There are evident improvements in the pace of execution over the past 6 months, and a concerted attempt to address bottlenecks. The PMU was supported in processing a substantially larger number of payments, e.g. by streamlining processes for

asset generation grants, and launched a number of key procurements at the beginning of the fiscal year.

23. Nonetheless, some critical shortfalls were observed, in particular the continued absence of a computerised financial management system and of a comprehensive M&E system with MIS. For a $40 million loan, these elements are critically needed.

24. The mission noted that the PMU has suffered from delays in recruitment of finance staff and procurement officer as well as for Bahawalpur DMU posts, all of which are still vacant with most of them having only recently been approved by the Government of Punjab. The lengthy process of approving and completing recruitments is contrary to the provisions of the Financing Agreement and has been a serious impediment to SPPAP performance.

25. The recruitment of the Project Director, currently underway, is critical for successfully achieving project objectives, and requires IFAD's no-objection.

26. The achievement of project management targets is summarised below:

		Physical			Financial (PKR million)		
	Unit	Target	Achieved	%	Design	Spent	%
'Social Mobilisation' + PMU vehicles	HHs	80 000	36 258	45%	275	74	27%
Other TA	Lumpsum	-	-	-	59	0	0%
Gender Assessment	Studies	2	0	0%	6	0	
Impact Studies	Studies	5	0	0%	12	0	
Participatory M&E	Annual	5	0	0%	4	0	0%
KM activities	Annual	5	0	0%	7	0	
PCR	Report	1	0	0%	4	0	
Programme management					299	n/a	n/a

Performance of M&E

27. Performance of M&E is *moderately unsatisfactory*. While execution is accelerating and is captured in different excel records of implementing partners and PMU officers, limited attention has been given to measuring outcomes and developing a viable exit strategy. The project has not undertaken the requisite baseline survey and annual impact assessments and there is no comprehensive MIS. Monitoring is based on activities and outputs and, aside from few case studies, there is no analysis on whether results (outcomes & impacts at household level) have been achieved.

Coherence between AWPB & implementation

28. AWPB implementation is *moderately unsatisfactory*. Although there has been a notable improvement in project implementation over the past 6 months compared to previous periods, some activities are not yet initiated and expenditure levels, even for this period, remain far below the target ($2.2 million expenditure per month) envisaged in the 2014-2015 work plan and budget. Coherence between AWPB and implementation is therefore rated as moderately unsatisfactory.

Gender focus

29. Gender focus is *satisfactory*. A number of activities have had good focus on gender: household toilets, distribution of small ruminants, provision of land plots to landless women, and improved drinking water supply. NRSP has made efforts to ensure adequate participation of women in community groups, whether women groups or mixed. A gender action plan has been prepared by the PMU.

Poverty focus and effectiveness of targeting approach

30. Targeting and poverty focus are *highly satisfactory*. The extent to which the model is effective in targeting the poor seems substantial. The key strength of SPPAP implementation is its targeting approach: the use of the Poverty Score Card criteria (PSC, issued by the national Benazir Bhutto Income Support Programme) has identified 81 000 households ranked between 0 and 23, including

33,000 HHs ranked between 0-11 and in extreme poverty situation in 259 villages. Since the scores were issued in 2009, COs re-validates the scores in case poor households are not recognised as such through the PSC.

31. The drawback is that, since benefits are provided based on poverty scorecard of registered tehsil residents, poor households that do not have ID cards (and therefore are unregistered) may be left out of the BISP/NRSP scoring matrices. Wherever possible, such households have been encouraged to register and collect an I.D. card so that they can be integrated into the SPPAP project.

Innovation and learning

32. Innovation and learning is *moderately unsatisfactory*. The use of the poverty scorecard for targeting of project interventions has proven an effective innovation that has been adopted by subsequent IFAD projects and by other donors. Given the limited pace of implementation, no other notable innovations have been demonstrated. The promotion of biogas digesters is gaining momentum but costs remain high and management of biogas systems complex for poorest households.

Climate and environment focus

33. Climate focus is *moderately satisfactory*. There is no negative impact. Household latrines have high demand and reduce open defecation, leading to improved sanitation conditions.

E. Fiduciary aspects

Quality of Financial Management

34. The quality of project management is *moderately satisfactory*. Progress has been noted in the project's financial management since the January 2014 supervision mission, however further improvements are required. As at the date of the mission, the project's accounting was up to date and monthly bank reconciliations are prepared. The project has adequate internal controls in place including segregation of duties, joint bank signatories, fixed asset register, contract register etc. In some areas, internal controls need to be strengthened, including controls over reconciliations and reporting of funds transferred to the COs and distribution of goods, services to the beneficiaries, reconciliations and reporting of funds saved by the COs. Nonetheless, the mission noted that project accounting is still managed through manual registers and excel spreadsheets. Given the large number of transactions, this exposes the project to a risk of inaccuracies in recording transactions and in timely and accurate financial monitoring and reporting.

35. The PMU hired a service provider (Accounting & Tax Associates) in July 2014 for installation of an off-the-shelf accounting software (Quick Books Premier 2013), data migration and training. The service provider has customised the software and migrated data up to 30 June 2014, however it has not yet been installed at project level, nor has the migrated data been reconciled to the project's accounts and financial statements. The mission had a meeting with the service provider along with the Finance Manager and emphasised that the installation and training on the software is to be completed by February 2015. The questions of data migration from July 2014 to January 2015 and continuing support to the project finance team remain to be clarified.

36. **Staffing (financial team).** The finance team have worked diligently to support about 2,000 COs and processed around 20,000 transactions in the last year. The mission noted that financial management staff has been strengthened through transfers from DMUs and temporary staffing arrangements. The recently agreed provision for additional staff will increase disbursement capacity while ensuring fiduciary measures meeting IFAD requirements. The regular hiring of a Finance Officer/Finance Assistant is under process.

37. **Payments.** The mission noted with concern that savings in the CO's bank accounts are currently neither refunded to the Project's bank account (due to the nature of the bank account) nor adjusted from future payments to the CO. SPPAP needs to develop procedures for managing and reporting savings by the DMUs.

38. The mission noted that the contract with NRSP is budget-based and that statements of expenditure are submitted on a regular basis to the Project on the basis of which payments are made. SPPAP should ensure that expenditures claimed are within the agreed budget, that expenditure is for the intended purposes and that resources and equipment purchased are exclusively used for Project

purposes. NRSP will be required to make available to the project and IFAD its annual audits of SPPAP expenditure, including for FY 2012-3 and 2013-4, in line with the provisions of the contract. The mission recommends implementing similar measures with other service providers, as appropriate.

39. **Registers of assets and contracts:** The mission reviewed the project's Fixed Asset Register and the Contract Register and found these to be in order. However, it was noted that updated Contract Monitoring Forms are not maintained in line with IFAD requirements, and the project has been requested to correct this shortcoming.

40. **Financial Reporting:** The Project prepares and submits monthly reports to the Government. It was agreed that these reports will henceforth be shared with IFAD. Interim financial reports will also be submitted on a quarterly basis following a format to be agreed with IFAD, including the report on CO savings referred to in paragraph 32 above.

Disbursement Rate

41. Project disbursement is currently rated *unsatisfactory* due to low overall disbursement rate relative to elapsed time of the project. As at the date of the mid-term review, disbursements amounted to SDR 5.9 million, equivalent to 22% of funds allocated in the Financing Agreement, more than half-way through the project's life.

IFAD loan disbursements as at 18 January 2015 (SDR)

Category Description	Allocated	Disbursed	%	Available Balance
AUTHORIZED ALLOCATION - DESIGNATED ACCOUNT	0	1 631 577	0	-1 631 577
CIVIL WORKS/COMMUNITY INFRASTRUCTURE	6 235 000	1 194 110	19	5 040 890
VEHICLES	140 000	0	0	140 000
EQUIPMENT AND MATERIALS	2 445 000	37 990	2	2 407 010
TECHNICAL ASSISTANCE, TRAININGS AND STUDIES	6 490 000	547 745	8	5 942 255
GRANTS TO BENEFICIARIES	6 900 000	2 315 740	34	4 584 260
SALARIES AND ALLOWANCES	985 000	126 546	13	858 454
INCREMENTAL OPERATING COSTS	520 000	64 224	12	455 776
UNALLOCATED	2 635 000	0	0	2 635 000
	26 350 000	**5 917 932**	**22**	**20 432 068**

42. Eleven withdrawal applications (WAs) have been received by IFAD and processed for payment since 20 September 2013 to the time of the MTR. The Project has submitted WAs on a regular basis, especially during the second half of 2014, and the funds were transferred to the Project within an acceptable timeframe. The Project's WAs and SOEs were reviewed by the mission and found to be in order.

43. The mission noted that two WAs under the direct payment procedure were submitted to IFAD to pay a service provider through the State Bank as correspondent bank, but that the payments were not transmitted by State Bank of Pakistan to the payee, due to national rules.

Counterpart funds:

44. The provision of counterpart funds is satisfactory. During the current fiscal year 2014-15 until 31 December 2014 the Government has released PKR 97.9 million. The Government has also released PKR 97.9 million in January 2015 which makes the total releases PKR 253.7 million (US$ 3.0 million, around 54% of the Government's total financing share).

Compliance with loan covenants

45. Compliance with loan covenants is *moderately satisfactory* due to the following areas of non-compliance. Delays in procurement due to additional measures introduced by the Government of Punjab beyond the PC-1 have contributed to delays in project implementation, in contradiction to the provisions of the Financing Agreement. These provide that Project implementation should be carried out in accordance with the approved AWPB and Procurement Plan.

46. It was also noted that unaudited financial statements were not submitted to IFAD within four months of the end of the fiscal year, as required under the Financing Agreement. The project's audited financial statements were also not provided to IFAD within six months as required.

Compliance with Procurement

47. As of the date of the MTR, all major procurements of service providers have been undertaken or are in the process of being finalised and procurement is thus rated as *moderately satisfactory*.

48. The mission observed that while vehicles have been purchased through the service providers contract, and most of the vacant positions are currently being advertised, additional measures introduced by the Government remain contradictory and contravening the provision of the Financing Agreement. Section 7.01 of IFAD General Conditions mandates procurement to be carried out in accordance with the approved AWPB and Procurement Plan while IFAD Procurement Guidelines require Projects to demonstrate efficiency and economy in undertaking Project procurement, to avoid undue implementation delays and to achieve value for money.

49. A vast majority of Project procurement is undertaken through the involvement of Community Organisations (CO's) through small grants below USD 10,000 per activity. Although SPPAP features adequate internal control to monitor grants disbursed to CO's for procurement undertaken through the respective community organisations, duplication and excessive controls currently applied impedes effective implementation. A review of the Project Implementation Guidelines identifies that the Project has not aimed at maximising it's operational efficiency contributing additional workload, as identified under paragraph 30 workload and staffing. In particular, disbursement from the Project to the CO's are made in 3 tranches, while the Project maintains an operational control of disbursement from the CO's bank accounts. Processing of small iterative tranches for short-duration infrastructure development and other works has led to work stoppage and delays in the implementation of activities by the CO's.

Quality and timeliness of audit:

50. Qualirt and timeliness of audits is *moderately satisfactory*. The first Project audit for the years 2012-13 and 2013-14 was conducted in October 2014 by the Punjab Public Sector Auditor, under the auspices of the Director General Audit Punjab and an initial draft was shared with the mission. The audit report is undergoing quality control and vetting processes and is expected to be submitted in final version to IFAD by the end of January 2015.

51. The mission was informed by the Director General Audit Punjab that the audit opinions are expected to be unqualified. However the management letter contains a number of recommendations for improvement, many of which relate to adherence to national procedures and regulations with respect to salaries, allowances and office rentals.

52. The Director General Audit Punjab assured the IFAD mission that, with the sole exception of SPPAP's, all donor-funded project audits conducted by his office were submitted within the 31 December 2014 deadline. The delay in SPPAP's case was explained by the project's late finalisation of its unaudited financial statements, which were provided to the auditor only in October 2014. It was agreed that henceforth the project's unaudited financial statements will be finalised and submitted to IFAD and the auditor within two months of the end of the financial year, i.e. by 31 August. The project's LTB will be revised accordingly. The mission also met the Deputy Auditor General (Provincial Audit Wing), at Audit General Pakistan in Islamabad, who confirmed that SPPAP 2013-14 audit shall be submitted to IFAD imminently.

53. **Project Fiduciary Risk Assessment**: A financial management risk assessment was conducted following IFAD's guidelines and the risk was assessed as Medium.

F. Sustainability

54. Experiences in Pakistan have shown that long-term sustainability of outcomes and community institutions mainly depends on (i) the maturity and eventual sustainability and graduation of community organizations, (ii) linkages with government and other services providers, (iii) continuation

of of the institutional set-up established through the projects/Programme (in particular, coordination and *institutional* mechanisms for linkages with line departments, NGOs etc); and (iv) the technical, economic and financial sustainability of the activities supported by the Project/Programme. Elements of all these factors could be found in SPPAP. However there are also challenges, mainly due to delayed and then acceleration project execution.

55. **The Model.** SPPAP choice of individual beneficiary grants and CPIs as an entry point into the village arose from (i) the significant reliance on agriculture and (ii) the perception that village needs for infrastructure made them priority concerns for the rural people. SPPAP engaged NRSP in these activities, with quite limited engagement of line ministries, based on the belief that (i) these outputs would in themselves address major poverty constraints, and (ii) that adding a dialogue process to a 'free' infrastructure or to individual grants (livestock, housing plots or agricultural production inputs) would be an incentive to strengthen community development while helping the poorest overcome their poverty traps. COs and VOs would become more inclusive of the poor, and also cement cohesion among the villagers.

56. Taking into account the experience of earlier models, four factors seem to be a determinant on the effectiveness of beneficiaries' participation, ownership and CO sustainability:

(a) a grant element is vital for the establishment of COs and for the effective mobilization of local resources towards CO mutually-agreed objectives;

(b) at the same time, the grant has counterproductive effects on self-reliance or self-help in the long-run. To counter this (i) the ability to generate a continuing flow of benefits from the collective investment implemented through the project is critical; and (ii) these benefits must be shared by a large majority of the members of the group;

(c) COs' long-term development is constrained by a weak capacity to identify, test and promote simple income-generating opportunities. Hence the need for a responsive institutional vehicle that can promote profitable opportunities on a regular basis; and

(d) a socio-cultural factor specific to th0e group. This often influences the level of cohesion and solidarity within the community. This factor is normally beyond the capacity of projects to change.

57. However, this approach failed to deal with one of the constraints it had identified- namely, the search for hand-outs. The general absence of further development initiatives financed and managed by the villagers is an indication of the continuing subsidy mentality, as opposed to building a self-help and self-reliance approach. A manifestation of this attitude has been exemplified by the reorganisation of COs in the quest for increasing eligibility for grants, rather than building an image of group self-reliance.

58. To overcome this problem, SPPAP design had envisaged managerial training (and role) for COs and VOs. However, management training of COs has been absent- perhaps due to the rush to deliver quantitative results and disbursement following the long delay in start-up. And, social schemes provided by VOs and COs are rather limited if not absent. Instead, some COs have received several different grants without even a declining share/contribution from the project to move the COs towards self-reliance. Insofar as the objective of forming COs is to encourage the communities to be self - reliant, continued use of grants without a cost-recovery or revolving fund approach is likely to be both unsustainable and, in the long-run, counterproductive.

59. **Adapting the model.** SPPAP field visits suggest that, while the criteria for selection of communities were clearly poverty-oriented, SPPAP has not seriously utilised VO development plans, probably due to SPPAP restricted scope of interventions. Moreover, in some recently added geographic areas, Service Provider staff formed large numbers of groups in very little time. The viability of recently formed COs needs to be monitored carefully, and fairly intensive support provided to these COs over the remaining project period. It is not clear whether the Service Provider will be able to provide the necessary back-up support.

60. The project is working with the existing community groups and local VO/LSU mobilisers to engage poor rural households that participate in planning and implementing SPPAP interventions. NRSP, the key service provider contracted for social mobilisation and capacity building, has a long and permanent presence in the project area. NRSP is expected to continue to interact with the same COs/VOs after completion of the project, either through their own resources or any future government/donor financing in the region, thereby sustaining a measure of continuity and follow-up to project activities and benefits.

61. The project exit strategy therefore necessarily relies on continuity of NRSP activities with the COs after project end. Ultimately however, true developmental sustainability depends on the COs/VOs/LSUs capability to stand on their own feet, rather than be reliant on NRSP. This is the crucial test of the success or failure of the model as a whole. A CO can be considered a success if it has the ability, more than one year after the termination of external support, to:

(i) operate, maintain and, if necessary, replace its infrastructure investments;
(ii) liaise on a regular basis with local bodies, line departments and other organisations;
(iii) plan and implement a development activity;
(iv) manage existing community resources, including savings and credit when appropriate;
(v) create sources of income for the younger generation and/or build a collective marketing network;
(vi) ensure equity in the distribution of benefits arising from its activities; and
(vii) use the services of its village specialists and organise their further training as necessary;

62. So far as no training has been provided to the groups, and no groups have operated on their own, the sustainability of the model without NRSP seems unlikely. However, achieving the above standards requires time. It is significant that the model in its original and 'best' form, i.e. the AKRSP, which has been operating in Gilgit for many years, is still unable to disengage itself from but a few VOs. The fact that COs took so much time to begin to function on their own reveals their continuing dependence on AKRSP or other agencies for many years before they can become independently sustainable. This corroborates the earlier observations made on the counterproductive effect of grants, and also to the absence of any autonomous activity such as group savings and loans.

63. **Institution Building** is judged to be *moderately unsatisfactory.* Institutional development has been limited to establishment of inclusive community groups that receive and distribute private benefits or participate in implementation of community infrastructure. Further, given Punjab's commercialised agricultural context, attention to opportunities for strengthening collective actions (e.g. with respect to access to quality, affordable inputs, value-addition opportunities and collective marketing) is conspicuously absent. Finally, the actual phasing of activities (ultimately compressed within the last 2.5 years of the project) compromise the needed long-term, locally-driven development approach.

64. Nonetheless, there is an element of institution building in that the planning and implementation of the Project interventions including selection of beneficiaries etc., is carried out with COs and their village organisations established by NRSP under various projects and programmes. In view of existing levels of institutional maturity and capacity of the COs/VOs of the project area, the Mission observed considerable degree of management and decision making authority of the VOs/COs.

65. **Empowerment.** Empowerment and social sustainability is rated *moderately satisfactory*. A degree of empowerment is achieved by expanding COs inclusiveness (and, therefore, acknowledging or recognising the poor as legitimate members of the community included in development initiatives). Empowerment in terms of increasing voice and agency is happening but perhaps at quite a limited scale. One primary limitation is that COs are small, with a membership of 20 persons each. Therefore they do not adequately represent the community. Rather, they group individuals that are classified by poverty criteria and thereby eligible to receive different benefits from projects, according to their poverty rank and the target of any given project.

66. Active participation of women and the women focused activities like distribution of land plots, goat packages, various skills and capacity building interventions are contributing to women

empowerment. Control over resources such as land is governed by the land tenure system of the area and which at the moment is not in favour of the project target group. However, the Mission observed that CO members actively participated in the planning and implementation of project activities and there was a sense of strong ownership of the project financed activities like asset transfer, community infrastructure, training etc.

67. **Beneficiary participation.** Quality of beneficiary participation is judged to be *moderately satisfactory.* There are some very positive signs in the involvement of villagers in decision-making as well as the provision of labour. Efforts undertaken have enhanced participatory features in project implementation. The Social Organiser (SO) is the first interface between the village level and the NRSP. VOs and COs in practice function around the SO. CO members/women are directly represented in activities like purchase of goat packages for asset creation.

68. Packages selected by eligible households naturally reflect a higher demand for private benefits rather than responding to a collective village development plan. Delivery of project support through contracted service providers suggests that a programmatic approach for P&D may not be sustained beyond the project.

69. SPPAP also seeks to train community-based technicians- as a form of participation that replaces civil service staff by villagers who operate as self-employed entrepreneurs- transforming a service previously delivered by the State, into a private sector service. Such specialists (paravets, vet technicians and entrepreneurship champions) are still due to be trained. However paraprofessionals trained by previous IFAD projects have raised a number of problems, and there are a risk for future SPPAP trainees also:

(i) the insufficient and inadequate training they have received;
(ii) the inability or unwillingness of certain clients to pay; and
(iii) the lack of capital for renewing their consumable equipment and materials.

70. **Responsiveness of service providers:** Overall, responsiveness of service providers is *moderately satisfactory.*The main service provider, NRSP is a specialised national level institution for social mobilisation and capacity building and plays a key role in the planning and implementation process including selection and finalization of beneficiaries for project interventions. Involvement of government line departments like the departments of Agriculture and Livestock leaves much to be desired. Absence of their involvement- particularly in provision of technical assistance and capacity building, for important activities like goat package distribution, kitchen gardening and various other productivity enhancement intervention- undermines the long-term achievement of project objectives of intended impacts.

71. **Exit strategy** is *moderately unsatisfactory.* Some elements of the design of SPPAP are aimed at ensuring project sustainability and a natural strategy for exit of key project activities and institutions. The important element in this regards is the working with the existing structures/COs/VOs which have already been established in the Project districts and availability of long term/permanent support mechanism (NRSP)- although in some districts the mission found that Cos were newly established specifically to facilitate SPPAP outreach. Secondly, although participatory planning processes are somewhat superficial (not linking clearly to community development plans and collective benefits), implementation is executed hand in hand with COs/VOs/LSOs, who are handed the management of works/investments such as physical and productive infrastructure.

72. On the other hand, there is no clear exit strategy for certain investments made at household level, particularly interventions under productivity enhancement (e.g. financing of precision land levelling, raised bed plantation, zero tillage plantation, kitchen gardens, gypsum treatment, tunnel farming, artificial insemination of livestock, fish ponds, distribution of seed and fertilizers, provision of subsidized farm equipment to community service providers etc.). Since these activities are mostly one-time grants, their sustainability is a serious concern. The Mission has therefore recommended to replace the activities of one-time grant nature with the ones like revolving fund for sustainable and

affordable access to financing for inputs and marketing for smallholder farmers; food bank scheme for overcoming food insecure periods and start-up capital initiative for youth employment.

73. **Potential for scaling** is currently rated as *unsatisfactory*. The roll-out of new models and approaches may provide a basis for future scaling, but this is not yet in place. Moreover, scaling up would likely depend on the following elements, which are not yet demonstrated:

(i) Use more Rapid/Participatory Rural Appraisal more actively;
(ii) Improving baseline surveys to measure and demonstrate social outcomes.

G. Proposed Amendments to the Loan Agreement

74. As outlined in Sections B and C above, the current status of project execution remains far behind schedule. Under this overall context and based on IFAD policies regarding Project at risks, the MTR mission therefore planned immediate closure of this project at risk, aside from any outstanding financial commitments. The mission assessed that commitments made by the PMU that cannot be recovered would justify a cancellation of about $20 million of IFAD financing.

75. The mission took note of the concern of the Government of Punjab that such cancellation should be taken as a measure of last-resort in view of the poverty conditions in the project area. In this context, the joint MTR mission reviewed options with the P&D Department and the PMU to build on the SPPAP strengths and in particular the targeting system, by adjusting project activities to maximise impact and increase the likelihood for relevant and sustainable results.

76. Continued viability of the project will however require significant corrective actions to sustainably impact on the priority needs of the target group. IFAD and the Government of Punjab agreed that some of the priority needs of the rural poor in the project area are:

(i) Assets: shelter/house for landless women and provision of small ruminants for poorest households

(ii) Productive finance: getting out of permanent heavy debt with high interest rates charged by middlemen and local suppliers (mainly for agriculture input supply, marketing or food insecure period) and

(iii) Employment: finding sustainable employment to generate a minimum income of $100 – $150 equivalent per month.

77. Accordingly, in view of their relevance for the priority needs of the target group, the ongoing performing targeting approach and the commitment of the GoP to address the current implementing issues, the joint SPPAP MTR mission worked on an alternative programme that would allow:

(i) To remove SPPAP of the category of Project at Risk by June 2015
(ii) To build the foundation for a potential future interventions

78. After exchanges with the PMU, the alternative activities to be implemented between February 2015 and September 2016 (completion date) would be the following :

(a) Given the concerns expressed in sections B and C, the IFAD loan financing will no longer cover the following activities due to weaknesses or delays in execution:

- Business Incubation and Business Associations
- Productivity Enhancement Initiatives
- Farmer Field Schools
- Training of female vet assistants
- Equipment and training for community service providers

(b) Among the on-going SPPAP activities, only the following ones will be pursued:

- Goat distribution (1 goat per household ranked 0- 11 in PSC)

- Community infrastructure targets are reduced to 700 schemes, only focus on the community benefits (no additional individual schemes such as biogas and solar).
- Vocational and entrepreneurial trainings will be pursued but (i) with more systematic linkages between the Project activities and (ii) with a reduced target compatible with the remaining time.

(c) In line with the Government of Punjab's commitment to expand its support to the poorest areas of southern Punjab, SPPAP will initiate simple but high-impact pilot activities that can lay the ground for future poverty reduction interventions in Punjab as follows:
- housing for the poorest to complement the landless plots provided (1541);
- food banks to assist poor households in overcoming hunger seasons;
- community revolving funds for input supply; and
- start-up capital for skilled youth.

Concept notes for the four Pilots will be sent to IFAD for no objection not later than the 20 February 2015. These concept notes will include the approach, expected results, implementing arrangements, budget and M&E indicators.

79. The reduction in activities listed above and the amount necessary for financing the pilots should lead to a partial cancellation of the SPPAP loan estimated at USD 10 million (around SDR 7 million). Such cancellation shall bring the remaining project financing amount to a more realistic level of about $21 million in expenditures over the coming 1.5 years of implementation.

80. These adjustments require an amendment to schedule 2 of the SPPAP Financing Agreement, to reduce the total loan financing by SDR 7 million (or $10 million). The necessary adjustments to the disbursement categories in schedule 2 are described in the table below.

In SDR ('000)	Disbursed	2015/2016 Requirements	Revised allocation	Original allocation	Change
1. Civil Works/Infrastructure	1 194	5 339	6 420	6 235	185
2. Vehicles and Motorcycles	-	152	150	140	10
3. Equipment and Materials	38	1 127	1 100	2 445	-1 345
4. Trainings, Workshops and Studies	754	2 860	3 500	6 490	-2 990
5. Asset Creation Grants	2 316	2 982	5 080	6 900	-1 820
6. Salaries and Allowances	127	423	550	985	-435
7. Operating Costs	64	107	200	520	-320
8. Unallocated	-		2 300	2 635	-335
9. Authorised allocation	1 631				
	6 124	12 990	19 300	26 350	-7 050

81. In addition, the definition of Category 1 "Civil works/ community infrastructure" will be revised to include the construction of housing shelters for the poorest, as described in paragraph 59 (c) above. More detailed quantitative targets and budget provisions are provided in appendix 1

82. Based on the recommendations above, and having reviewed the PMU expected workflow, the mission recommends close monitoring of progress over the next 3 months. The reviews will aim to determine whether fiduciary requirements have been fulfilled and whether a higher level of delivery can be sustained to September 2016. The table below lists the fiduciary and management requirements that SPPAP must fulfil. A decision to continue the project and maintain reserved $21 million in loan funds is contingent on compliance with these requisites.

83. For the implementation of that option, the MTR mission expressed the following recommendations and deadlines:

Operational aspects	**Responsibility**	**Deadline**
Provide the 4 concept notes for IFAD review and no objection -	PMU	Mid Feb. 2015
Provide the SPPAP baseline study	PMU	End April 15
Operationalize and revise the SPPAP M&E system in order to be able to measure the consequence of the pilots and others SPPAP activities in terms of poverty reduction, incomes and food security improvement.	PMU	March
Construct the baseline situation for the Project area using secondary sources (BISP data, DHS survey) and carry out small survey to collect any missing information.		March
Project Management	**Responsibility**	**Deadline**
Broaden the requisite qualifications for Project Director position (beyond the social sciences background limit in current advertisement) to include also natural sciences, in order to increase and strengthen the pool of applicants considered for the position.	P&D Punjab	immediate
Accelerate the recruitment process for vacant necessary positions	P&D Punjab	immediate
Establish a performance evaluation process with six-monthly planning and performance reviews according to each staff's responsibilities.	P&D Punjab	February 15
Ensure that the FIS and MIS are in place and operational	Project Director	End April 15
Financial Management	**Responsibility**	**Deadline**
Use procedures as defined in the SPPAP Financing Agreement	GoPb	immediate
Implement automated financial accounting software. After WA 13, IFAD will not process WAs if SPPAP accounting software is still not functional	PMU	Feb 2015
Train finance team on the accounting software & on MS Office	PMU	Feb 2015
Annex Document policies & procedures, in guidelines form, to the PIM.	PMU	Feb 2015
Ensure regular backup of project financial and non-financial information	PMU	Feb 2015
Determine solutions with GoPb regarding refund and usage of CO savings. These should be reported to IFAD as part of quarterly reporting.	PMU	March 2015
Reconcile NRSP (& other service providers) invoices and accompanying SOEs to agreed budget; deduction of any excess claims. NRSP invoices and SOEs shall include certification that expenditures were entirely for the project, are eligible and were paid entirely from the project's financing	PMU	March 2015
Certify invoices and SOEs by NRSP's internal auditor;	PMU	March 2015
Provide separate opinion from NRSP auditor on use of SPPAP resources; deduction of any difference between invoiced amounts and audited NRSP financial statements from subsequent payment; final payment to NRSP to be released after receipt of final NRSP audit report.	NRSP/SPs	Immediate
Clarify rules and applicable payment instructions for direct payments	NRSP/SPs	Feb 2015
Revise PIM to specify a single release of funds to CO's based on PMU approved activity plans; and revise all ongoing contracts with the CO's.	PMU with EAD	Feb 2015
Address all issues raised by the auditor in the coming months.	PMU	March 2015

H. Other

84. **Physical/financial assets, food security** and quality of **natural asset improvement and climate resilience** are rated as *moderately unsatisfactory* at the time of the mission, in view of limited

progress in implementation. The distribution of household toilets, small ruminants, provision of land plots to landless women, solar energy facilities and improved drinking water supply suggest good potential for impacts at the level of physical assets, but this will depend on higher execution levels in accordance with project targets. The mission also considered the quality of natural asset improvement and climate resilience as promising in view of the improved facilities for water supply and irrigation, particularly for the most arid districts**.**

I. Conclusion

85. As of today, the SPPAP level of results achieved is far below expectation. Of $40 million, $31 million are still not disbursed, 20 months before the project completion date. The disbursement rate is only 22%. SPPAP is therefore classified as an IFAD project at risk.

86. Based on the limited results and the short time frame remaining, the synergies and sustainability of diverse interventions is compromised. It is therefore considered highly unlikely that SPPAP will be able to achieve its development objectives by continuing its current implementation approach. As per IFAD policies related to project performance, the immediate closure of SPPAP and total cancellation of the loan has been discussed with the GoP.

87. Nevertheless, based on (i) the poverty conditions in the project area, (ii) the excellent targeting system used by SPPAP, (iii) the needs expressed by the IFAD target groups and the existing solutions immediately implementable as well as (iv) the availability of services providers in those new areas, a second option has been discussed with the Government of Punjab and Pakistan.

88. The alternative option of continuing SPPAP requires that SPPAP shall: (i) take corrective actions on weak interventions, including reducing the original targets to focus on most relevant and high impact activities, and (ii) test new activities that better respond to the priority needs of the project target group and that have potential to be scaled up through future IFAD or Government financing. This option will necessitate to immediately reduce the SPPAP loan of only USD 10 million (SDR 7 million equivalent) and give options for the future.

89. This option will necessitate to immediately reduce the SPPAP loan by only $10 million (SDR 7 million equivalent) and provides concrete options for future financing. During the final wrap up, both IFAD and the GoP agreed with this proposed partial cancellation. SPPAP will implement the recommendations mentioned in this aide memoire.

90. **The request from the Government of Pakistan for this partial cancellation of $10 million of the SPPAP loan is expected to reach IFAD not later than 28 February 2015.** After this date, this proposed option 2 ($10 million cancellation) will no longer be valid as SPPAP will no longer have a serious chance to successfully achieve its objectives. Consequently, the SPPAP loan will be immediately closed- as indicated in the first conclusion of this joint SPPAP MTR.

Appendix 1: Summary of project status and ratings

Project 1514 [825] Southern Punjab Poverty Alleviation Project - 2014-06
Basic Facts

Country	Pakistan			Project ID	1514	Loan/DSF Grant No.	825
Project	Southern Punjab Poverty Alleviation Project					Top-up Loan/DSF Grant	
Date of Update		18-Jul-2014					
Supervising Inst.		IFAD/IFAD					
No. of Supervisions	2	No. of Implementation Support/Follow-up missions	8				
Last Supervision	6 Jan 2015	Last Implementation Support/Follow-up mission	September 2014				

					USD million	Disb. rate %
Approval	15-Dec-2010			Total financing	49.12	
Agreement	30-Sep-2011	Effectiveness lag	9.6	IFAD Total	40.17	
Entry into force	30-Sep-2011	PAR value	Actual problem	IFAD loan	40.17	22.5% (6 January)
First disbursement	20-Sep-2013			DSF grant		
MTR	21-Jan-2015	Last amendment		IFAD grant		
Original completion	30-Sep-2016	Last audit		Domestic Total	8.95	
Current completion	30-Sep-2016			Beneficiaries	3.32	n/a
Original closing	31-Mar-2017			Government (National)	5.63	54%
Current closing	31-Mar-2017			External Cofinancing Total		
No. of extensions	0					

Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	3	4	1. Quality of project management	3	4
2. Acceptable disbursement rate	2	2	2. Performance of M&E	2	3
3. Counterpart funds	4	5	3. Coherence between AWPB & implementation	4	3
4. Compliance with financing covenants	4	4	4. Gender focus	4	5
5. Compliance with procurement	3	4	5. Poverty focus	4	6

6. Quality and timeliness of audits	4	4	6. Effectiveness of targeting approach	4	6
			7. Innovation and learning	3	3
			8. Climate and environment focus	4	4

B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Livelihoods Enhancement	3	3	1. Institution building (organizations, etc.)	4	3
2. Agriculture and Livestock Development	3	2	2. Empowerment	4	4
			3. Quality of beneficiary participation	5	4
			4. Responsiveness of service providers	4	4
			5. Exit strategy (readiness and quality)	3	3
			6. Potential for scaling up and replication	4	2

B.5 Justification of ratings

Overall Assessment and Risk Profile

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

Rationale for implementation progress rating
The Project has a lapsed time of about 2 years between signing of fining agreement and receipt of 1st withdrawal. Implementation of project activities is at the very initial stages. SPPAP has however, completed important preparatory activities for implementation and initiated implementation of some planned interventions and the PMU and NRSP staff seemed to have a good understanding of the Project approach and its activities and found very dedicated, committed and upbeat about implementation progress. However, achievement of project targets and objectives at the moment seems very challenging and the GoPb/P&D Department need to provide continuous support to the PMU for smooth implementation.

		Last	Current
C.5	Likelihood of achieving the development objectives (section B3 and B4)	3	3

Rationale for development objectives rating
In view of the lapsed time, achievement of outputs and project objectives is a challenging task for the lead executing agency and the PMU in the remaining about 3 years. The pursuit of achieving targets may compromise on qualitative aspects of the project.

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

Fiduciary aspects	The Risk rating assigned by the present supervision is Medium. The project has not yet adopted an automated accounting programme, making reporting inefficient and prone to errors.
Implementation progress	Although there has been a notable improvement in project implementation over the past 6 months compared to previous periods, some activities are not yet initiated and expenditure levels, even for this period, remain below the target envisaged in the 2014-2015 work plan and budget.

Outputs and outcomes	Given the short time frame remaining, a number of activities planned to start this year will not benefit from adequate supervision and technical backstopping they would normally require. For example, Farmer Field Schools, Business Associations and any new Community Organisations (COs) established will receive limited coaching and technical backstopping, and will not have sufficient time to develop durable bonds with members and partners. In view of the lapsed time, achievement of outputs and outcomes/project objectives is a challenging task for the lead executing agency and the PMU in the remaining about 2 years. Pursuit of achievement of targets/outputs and disbursement may result in compromise on the qualitative aspects of the projects.
Sustainability	The anticipated support to targeted households is now restricted to about 2 years in total (including the past 6 months). The exit strategy of such short-duration interventions is not clearly articulated; nor is it clear how the sustainability of these activities will be ensured after project completion.

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
M&E	Develop MIS and M&E plan and capture benchmark data through secondary sources and baseline survey	By April 2015	
Fiduciary Aspects	Implement automated financial accounting software	Feb 2015	
Outcomes and impacts	Cancel activities starting too late to ensure coherent execution	Feb 2015	
Disbursement	Cancel SDR 7 million ($10 million equivalent) of loan funds	March 2015	
Innovations and scaling up	The MTR recommended that SPPAP develop concept notes for testing new activities that better respond to the priority needs of the project target group and that have potential to be scaled up through future IFAD or Government financing.	By 28 Feb 2015	

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

Narrative Summary	Verifiable Indicators	Means of Verification	Assumptions/Risks/Remarks
Goal			
Contribute to the reduction of poverty in Southern Punjab (Baseline: existing poverty levels – 24% in Bahawalpur, 32% in Bahawalnagar, 43% in Muzzafargarh and 55% in Rajanpur. SPPAP to benefit 80,000 or 19% of the poor households in the project districts).	• % reduction in poverty levels in project districts • No. of households with improvement in household assets • % reduction in the prevalence of child malnutrition	• Poverty Score Cards • Beneficiaries and NRSP poverty profiling • Representative household impact surveys at project baseline and completion	Political and economic stability and security.
Objective			
Increase incomes of poor rural households by enhancing the employment potential of the people and increasing agriculture productivity and production.	Number of households with increase in incomes. (Number of men and women beneficiaries with increase in incomes.)	Pakistan Social and Living Standards Measurement Survey (PSLM) by the FBS.	• No major natural disasters. • No significant outbreak of livestock or poultry disease in the project districts. • Government procurement and price policy for wheat and rice represent a risk for the smallholder farmer.
Outputs			
Component 1: Livelihoods Enhancement			
1.1 Enhanced capacity for sustainable livelihoods.	• No of women provided small ruminant packages • No of women provided with land plots	• Participatory monitoring reports • Progress reports	Availability of transferable land in the selected communities.
1.2 Enhanced capacity for employment and productive self-employment.	• No of men and women provided vocational training. • No of men and women provided enterprise development training. • No of entrepreneurs provided business • No of vocational trainees and entrepreneurs provided with equipment, tools and kits relevant for their trade. • No of business development associations established at the district level.	Quarterly and Annual progress reports.	
1.3 Enhanced access to basic services.	• No of community infrastructure schemes • No of safe drinking water schemes • No of drainage and sanitation schemes	• Participatory Monitoring Assessments • Quarterly and annual	High fuel and electricity costs may limit the benefits from the infrastructure projects.

	• No of Innovative technology innovation schemes. • No of irrigation schemes • No of access roads and minor structures	reports	
Component 2: Agriculture & Livestock Development			
2.1 Increased productivity and production from the crop and livestock sectors.	• No of smallholder farmers who receive direct investments in the crop and livestock sectors. • No of farmers participating in farmer field schools by gender	Quarterly and Annual Progress Reports.	
2.2 Strengthened local capacity for agriculture and livestock service provision.	• No of female para vets and Female Veterinary Assistants trained. • No of community service providers trained and provided equipment by gender.	Quarterly and Annual Progress Reports	Social and cultural barriers that prevent women from entering non-traditional fields.
Component 3: Project Management			
3.1 Project efficiently managed with transparent and competitive procurement and financial management systems and facilitation of project activities.	• Timely recruitment of competent staff • Gender Ratio of PMU staff (30% women) • Timely procurement of required equipment • Timely recruitment of qualified implementing partners, trainers and consultants • Project outputs are achieved on the basis of the AWPB • Compliance with Loan Agreement and PIM • Disbursement Rate according to schedule	• Staff CVs, contracts & appointment letters • Copies of advertisements, bidding and evaluation documents • Service contracts, purchase orders, financial records • Audit & Accounting Reports • Quarterly & annual progress reports	• Project staff is recruited on merit and retained for the duration of the project. • Delay in the recruitment of implementing partners, trainers and consultants.
3.2 Effective monitoring, evaluation, impact assessment and knowledge management.	• No of periodic progress, quarterly and annual reports produced on time. • No of gender assessments conducted on time. • No of monitoring & evaluation reports produced on time. • Adjustments in Log-Frame, AWPB and PIM based on lessons learnt.	• Baseline Information. • Quarterly and Annual Progress Reports. • Gender Assessment Reports. • Impact Assessment Reports & case Studies. • MTR/PCR reports	

Note: no update has been made to the logframe, pending partial loan cancellation request from Government and revision of targets correspondingly.

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

Action Area	Action Agreed	Whom	Date	Progress
Project Implementation	Broaden the requisite qualifications for Project Director position (beyond the social sciences background limit in current advertisement) to include also natural sciences, in order to increase and strengthen the pool of applicants considered for the position.	P&D Punjab	Immediate	
	Accelerate the recruitment process for vacant necessary positions	P&D Punjab	Immediate	
	Establish a performance evaluation process with six-monthly planning and performance reviews according to each staff's responsibilities.	Proj Director	February 2015	
	Ensure that the FIS and MIS are in place and operational	Proj Director	April 2015	
Outputs	Provide the 4 concept notes for IFAD review and no objection -	PMU	Mid Feb. 2015	
	Provide the SPPAP baseline study	PMU	End April 15	
	Operationalize and revise the SPPAP M&E system in order to be able to measure the consequence of the pilots and others SPPAP activities in terms of poverty reduction, incomes and food security improvement.	PMU	March	
	Construct the baseline situation for the Project area using secondary sources (BISP data, DHS survey) and carry out small survey to collect any missing information.		March	
Fiduciary Aspects	Use procedures as defined in the SPPAP Financing Agreement	P&D Punjab	Immediate	
	Implement automated financial accounting software. After WA 13, it will not be possible to treat WA if SPPAP accounting software is still not functional	PMU	Feb 2015	
	Train finance team on the accounting software & on Microsoft Office applications	PMU	Feb 2015	

Annex Document policies & procedures in the form of guidelines to the project's manual.	PMU	Feb 2015
Ensure regular backup of project financial and non-financial information	PMU	Feb 2015
Determine solutions with Government regarding CO savings refund and usage of funds saved. CO savings should be reported to IFAD as part of quarterly reporting.	PMU	March 2015
Reconcile NRSP (& other service providers) invoices and accompanying SOEs to agreed budget; deduction of any excess claims. NRSP invoices and SOEs should also include certification that expenditures were entirely for the project, are eligible under the contract and were paid entirely from the project's financing	PMU	March 2015
Certify invoices and SOEs by NRSP's internal auditor	PMU	March 2015
Provide separate opinion from NRSP auditor on use of SPPAP resources; deduction of any difference between invoiced amounts and audited NRSP financial statements from subsequent payment; final payment to NRSP to be released after receipt of final NRSP audit report.	NRSP/SPs	Immediate
Clarify relevant rules and applicable payment instructions for direct payments	NRSP/SPs	Feb 2015
Revise PIM to specify a single tranche release of funds to CO's based on PMU approved activity plans; and a revision of all ongoing contracts with the CO's.	PMU with EAD	Feb 2015
Address all issues raised by the auditor in the coming months.	PMU	March 2015

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

Component/ *Sub-component or Output*	**Indicator**	**Unit**	Period: 1 July 2014 to 6 January 2015 **AWP&B**	**Actual**	**%**	**Cumulative Actual**	**Appraisal Target**	**%**
Livelihood Enhancement								
Asset Creation	1.2.6 Households receiving animals	hh	16 000	8934	56%	9 809	30 000	33%
	• Land distributed to landless women		617	227	37%	755	1 541	47%
Vocational & Entrepreneurial Trainings	1.5.2 People receiving vocational training	m/w	7742	442	6%	442	11 555	4%
	1.5.3 People trained in business & entrepreneurship skills	m/w	2064	25	1%	25	3081	1%
	• Household enterprises benefiting from business incubation	hh	208	0	0%	770	0	0%
	• Trainees receiving equipment	m/w	14 637	0	0%	0	14 637	0%
*Community Infrastructure**	1.4.2 Roads constructed/rehabilitated	No.	18	7	39%	21	57	37%
		Km	?	?	?	?	?	?
	1.7.3 Drinking water systems constructed	scheme	310	5	2%	9	480	2%
	1.7.4 Other infrastructure constructed (drainage, biogas, solar)	scheme	138	75	54%	95	418	23%
	Community Irrigation schemes	No.	182	32	22%	40	364	11%
	1.1.5 Land under irrigation schemes constructed or rehabilitated	ha	?	?	?	?	?	?
Agriculture and Livestock Development								
Productivity Enhancement Initiatives	1.2.5 People accessing facilitated advisory services (PEI grants)	m/w	6662	3641	54%	6302	15 410	41%
		women						
		men						
Technology Transfer	People trained in crop production practices	women		0	0%	0	11 555	0%
		group		0	0%	0		0%
	1.2.8 Crop/livestock associations formed	men		0	0%	0	4	0%
	1.2.9 People in farm associations	women		0	0%	0	11 555	0%
				0	0%	0		0%
Livestock Services	1.2.3 People trained in livestock production	women		0	0%	0	280	0%
	1.2.7 People receiving facilitated animal health services	men		0	0%	0	40 000	0%
		women		0	0%	0	40 000	0%
Project Management								

Community mobilisation	1.6.4 Community groups formed/strengthened	groups	?	126		126	4000	3%
	1.6.5 People in community groups	men	?	?		6 823	40 000	17%
	formed/strengthened	women	?	?		23 243	40 000	58%
	1.6.3 People trained in community functions	men	?	0	0%	0	40 000	0%
		women	?	0	0%	0	40 000	0%
Gender assessment	Number of assessments completed	studies	1	0	0%	0	2	0%
Impact Studies	Number of studies completed	studies	1	0	0%	0	5	0%
Outreach	People receiving project services	men						
		Women						
	Households receiving project services	hh				36 258	80 000	45%

* See appendix 8 for breakdown

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

Table 5A: Financial performance by financier Up to 31st December 2014

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan	40,169	8,846	22%
IFAD grant	-	-	-
Beneficiary Contribution	3,321	493	15%
Government	5,630	1,855	33%
Total	**49,120**	**11,194**	**23%**

Table 5B: Financial performance by financier by component (USD '000) Up to 31st December 2014

	IFAD loan			Beneficiary Contribution			Government			Domestic 1			Total		
Component	**Appraisal**	**Actual**	**%**	**Appraisal**	**Actual**	**%**	**Appraisal**	**Actual**	**%**	**Appraisal**	**Actual**	**%**	**Appraisal**	**Actual**	**%**
Livelihoods Enhancements	27,776	7,589	27.32%	1,991	244	12.26%	1,698	265	15.61%	-	-	-	31,465	8,098	25.73%
Agriculture and Livestock Development	5,786	1,146	19.81%	1,330	249	18.72%	2,591	695	26.82%	-	-	-	9,707	2,090	21.53%
Project Management	6,607	1,351	20.45%	-	-	-	1,340	220	16.42%	-	-	-	7,947	1,571	19.77%
Total Project Cost	**40,169**	**10,086**	**25.11%**	**3,321**	**493**	**14.84%**	**5,630**	**1,180**	**20.96%**	**-**	**-**	**-**	**49,120**	**11,759**	**23.94%**

Table 5C: IFAD loan disbursements (SDR '000, as at 31-12-2014)

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
I	Civil Work / Community Infrastructures	6,235	-	1,194	309	4,732	24.11%
II	Vehicles	140	-	-	-	140	0.00%
III	Equipment and Materials	2,445	-	38	-	2,407	1.55%
IV	Technical Assistance, Training and Studies	6,490	-	548	105	5,837	10.06%
V	Grants to Beneficiaries	6,900	-	2,316	430	4,154	39.80%
VI	Salaries and Allowances	985	-	126	7	852	13.50%
VII	Incremental Operating Costs	520	-	64	1	455	12.50%
	Unallocated	2,635	-		-	2,635	0.00%
	Initial deposit		-	1,632	-	-	-
	Total	26,350	-	5,918	852	19,580	25.69%

Appendix 6: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Financing Agreement				
B 6.	Opening & maintenance of a Designated account in USD.		Complied	
B 7.	Opening & maintenance of a Project account in Rupees for Project operations in a bank acceptable to the Fund.		Complied 15 July 2013	
B 8.	Provision of counterpart financing for the Project in the approximate amount of five million and six hundred thousand United States dollars (USD 5 600 000) out of which approximately USD 4 million will be to cover taxes and duties.		On-going - Bank Account opened on 28 December 2012	Ongoing
E(i)	Appointment of the Project Director and taking office.		Complied September 2012	
E (ii)	Opening of the Designated account and Project account.		Complied	
E (iii)	Submission of Project Implementation Manual (PIM) to the Fund and its approval by the Fund.		Complied	
E (iv)	Submission of the first AWPB of the Project by the PMU and its acceptance accepted by IFAD.		Complied August 2013	
Sch 1. Para	This sub-component is targeted at women from households that score		Grants are being provided to households scoring 0-18 on	Government must comply with this covenant unless it seeks

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
4.1.1	between 0-11 on the poverty score card		the poverty scorecard	amendment to Financing Agreement and IFAD approves the amendment request.
General Conditions				
7.05. (a)	**Procurement** Procurement of goods, works and services carried out in accordance with the provisions of the Government's procurement regulations, to the extent such are consistent with the IFAD Procurement Guidelines.		Complied and On-going	The project obtains NOC from IFAD for all major procurements.
7.08. (a)	**Insurance** Insurance of all goods and buildings used in the Project.		Pending for vehicles, equipment, furniture etc.	The Government generally does not obtain insurance.
7.09. (a)	**Subsidiary Agreements** Subsidiary Agreement not to be entered into which is inconsistent with the Financing Agreement or the Project Agreement.		Complied and On-going	
8.04.	**Completion Report** Submission of Project Completion Report before Financing Closing Date to the Fund.		Not applicable for the time being	
9.01.	**Financial Records** Maintenance of separate accounts and records until the Financing Closing Date, and retention of accounts and records for at least ten (10) years thereafter.		Done and On-going	
9.02.	**Financial Statements** Submission of detailed financial statements for each Fiscal Year within four (4) months of the end of each Fiscal Year.	30 October 2015 & On-going	Ongoing	Financial Statements for year ended 30 June 2014 were not provided to IFAD within four (4) months of the end of each Fiscal Year.

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
				In January 2015, the Financial Statements were provided to the Mission. The project committed to ensure compliance for the year ended 30 June 2015.
9.03. (a)	**Audit of Accounts** Getting project accounts audited in accordance with auditing standards acceptable to the Fund.	TORs to be agreed in writing with the Auditor - 31 January 2015	In Process	Draft TORs of the Auditors were shared with IFAD and with the DG Audit, Punjab in 2013. However, the TORs needs to be agreed with the Auditor General of Pakistan to ensure compliance by the Auditors in Punjab.
9.03. (b)	**Audit of Accounts** Submission of certified copy of audit report within six (6) months of the end of each Fiscal Year. Submission of reply to the management letter of the auditors within one month of receipt thereof.	31 January 2015 for 2013 & 2014 Audit Report 31 December 2015 for 2015 Audit 31 December 2016 for 2016 Audit	Not yet Complied	Completion of Audit was delayed due to non provision of Financial Statements. Although the mission has obtained draft Audit Report, the Certified copy of the Audit Report is expected to be submitted to IFAD by the end of January 2015.
11.01.	**Taxation.** Project to be exempted from all import duties, excise taxes and value added tax (VAT) on investment expenditures.	On-going	Complied & on-going	Most of the Government contribution comprises of taxes and duties.
PIM				
14.3	**Fund Flows** Withdrawal of funds from bank account and their utilization to be approved by management and finance officer.		Complied 8 October 2012	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
14.3	**Fund Flows** Imprest Limits for cash for PMU and DMUs to be Rs. 25,000/- and Rs. 15,000/- respectively.		Complied	Imprest limit for Cash at DMU has been established at Rs. 15,000.
14.5(a)	Recruitment of qualified accountants and establishment of sound internal control and accounting systems.	31 March 2015 28 February 2015 28 February 2015 28 February 2015	Partially Complied	• Pending the hiring of additional team in the Accounts/Finance department at PMU, the Project has transferred team (Office Assistant) from DMUs and has hired temporary staff. The Government of Punjab has approved hiring of additional staff in the Finance Department. • Although Tender was given in June 2014 and Service Provider selected in July 2014, however, Accounting Software was sill not implemented. The project committed to accelerate implementation of the software. • Process for timely reconciliation of payment made to COs and receipt of goods by the beneficiaries needs to be developed by the Project. • Process for timely reporting of savings made from funds transferred to COs need to be developed by the Project.
14.5 (c)	Maintenance of records for all signed		Complied	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	contracts in a contract ledger.			
14.6(a)	**Basic Requirements for Disbursement** IFAD has declared the loan effective		Complied	
14.6(b)	**Basic Requirements for Disbursement** Submission of sufficient evidence of the authority of the person(s) who will sign withdrawal applications, together with the authenticated specimen signature of each authorized person.		Complied & on-going	

Appendix 7: Knowledge management: Learning and Innovation

Learning

1. **Overcoming Start-Up Delays.** In spite of serious implementation delays, the project received a moderately satisfactory assessment with respect to implementation progress largely based on (i) SPPAP's demonstrated acceleration in the delivery of outputs, and (ii) commendable efforts made to address key issues and gaps highlighted in the 2014 supervision mission and follow-up missions. While P&D, the PMU, NRSP and other partners should be commended for this acceleration, SPPAP has nonetheless not been able to meet the ambitious targets set in June 2015 to recuperate the 2 years lost in launching the project. In addition, there are some important gaps in components implementation as described elsewhere in the Aide Memoire and its appendixes, which have generated new programming considerations and also a number of lessons learnt.

2. Given the short time frame remaining, a number of activities planned to start in this calendar year will not benefit from adequate supervision, technical backstopping and *learning* that they would normally require. For example, Farmer Field Schools, Business Associations and any new COs established will receive limited coaching and technical backstopping, and will not have sufficient time to develop durable bonds with members and partners.

3. An important lesson therefore is the detrimental effect of start-up delays on a project's overall success. In spite of an accelerating pace of implementation and quite a strong track over the past 6 months, SPPAP has not been able to recover the time lost during the first half of the project. With resources stretched to maximum delivery, SPPAP will not be able to recuperate, during the remaining 19 months, the first 30 months that were hardly utilized.

4. **Theory of Change.** Although delays are in part a result of delayed fulfilment of disbursement conditions (and subsequently a freeze in recruitment by the Government of Punjab), the project experience so far also suggests that a number of assumptions envisaged during design have proven untenable. Accordingly, one important learning regards the project's ambitious theory of change (see box: SPPAP's Theory of Change, below) in an overall operating environment still restricted by traditional practices and systems that perhaps challenge transformational change envisaged at project design. Ambitiously, the project aimed to concurrently: meet the basic human needs (health, water, sanitation and food)of poor households; increase agricultural productivity; develop skills for employment generation; and empower community groups for participatory, self-reliant development. In practice, the dynamics envisaged cannot be illustrated.

SPPAP's Theory of Change

The design's theory of change was underpinned by a need to first increase farm productivity and generate higher agricultural incomes. This would increase demand for locally generated goods and services, for which skills and certifications were to be developed under the project. These linkages between production and services would be supported by (and would, in turn, sustain) a decrease in poverty through targeted grant assistance to poorest households and community empowerment.

Based on these theoretical linkages, the project was designed to strengthen community groups, address the basic needs of poorest households (such as water supply or land plots for the landless), provide them with physical and productive capital (asset creation and services equipment), improve their agricultural knowledge (e.g. through Farmer Field Schools), strengthen private livestock services, capacitate line departments, provide improved agricultural inputs through demonstrative grants, and build vocational and entrepreneurial skills for job creation and business development.

To ensure linkages while maximising outreach and impact, the programme focussed on the poorest Tehsil in each of the poorest districts, distributing private benefits to the maximum number of *poorest* households as defined in the BISP poverty scorecards.

Almost all these activities were to be contracted out to qualified service providers (to maximise efficiency and quality) and implemented within a 5 year duration

5. While important benefits have been derived by the rural poor, in practice there has been a dissipation (rather than interlinkage) of activities. In addition to the ambitious outlook on linkages, a staggered phasing of outsourced activities has also undermined the theory of change. Further, the concerted effort to quickly reach a wide number of individual poor households in recent months suggests that the programmatic approach is undermined, and that, to some degree, outcomes and their associated benefits are one-off; not large enough to overcome overwhelming household poverty conditions; not of adequate scale to significantly increase demand for services and spur local economic growth; and have unsustainably high transaction costs. The prevailing poverty conditions also restrict the capacity of targeted households to secure maximum benefits from project assistance

6. **Conclusion.** The learnings above indicate a paradox situation: although the project is well-positioned to deliver benefits to the poorest households thanks to its highly effective targeting approach, nonetheless, without major corrective actions, the likelihood of SPPAP achieving its development objectives is considered *moderately unsatisfactory*.

7. Under these conditions, it is necessary for the project to consider means to maximise impact by consolidating successes and attacking limitations and risks. Learning form this experience therefore requires:

(1) Re-orienting the project strategy and technical approach to focus on activities of high impact and sustainability for addressing the target group's key challenges; and

(2) Adjusting the project's ambitious targets for the next 19 months, to be realistic and achievable.

8. Future learning from this project will now relate to the ability of P&D and PCU to adapt its implementation approach, integrating these lessons and trying a new approach over a short period of time that can provide a foundation for future programming.

Innovations:

9. The CO/VO/LSU model and its adaptations illustrate the evolution of participatory rural development thinking in Pakistan, from:

(i) ***from*** single purpose organisations (e.g. credit cooperatives, WUAs for rehabilitation of watercourses) ***to*** complex integrated rural development organisations (VOs, trrIOs, CDGs, CBOs);

(ii) ***from*** conventional traditional approaches (cooperatives, village councils) ***to*** innovative participatory approaches (AKRSP and its adaptations, NRSP, BRSP and SRSC);

(iii) ***from*** provision of support services through line departments ***to*** a mix of public and private delivery mechanisms; and

(iv) ***from*** Government-controlled agencies and expatriate community development technical assistance ***to*** government-sponsored NGOs and national experts on participatory rural development.

10. The model provides an excellent vehicle for the provision of services which have the nature of public goods, or in which economies of scale prevail. Adaptive research, extension, crop protection, social services (such as drinking water), renovation work, group sureties for credit and processing of local agricultural production are among the candidate services. As the major stakeholder, the

community's participation in the design, implementation and supervision of community schemes is essential to diligent implementation, cost effectiveness and sustainability. However, there has been a significant focus on private benefits so far. Only drinking water supply schemes, minor roads and, to some extent, irrigation renovation/upgrading have provided more collective benefits.

11. **Innovations to the model.** AKRSP model in the Gilgit Baltistan- whose success provides the foundation of RSP models in Pakistan- had complemented community infrastructure activities (which were extremely effective as an investment in organisation) with investments in natural resources, in order to further enhance organisation and collective benefits among the target groups. Institution-building was therefore matched by parallel productive investment. In the case of SPPAP, community infrastructure activities are mainly complemented with individual household grants- which seems not to support organisational strengthening of the COs as explained above.

12. SPPAP project area is in the four poorest Districts of Punjab, which is one of the poorest areas of the country. SPPAP uses B. Bhutto Income Support Programme to identify the Union Councils with the highest proportion of poor, within the poorest Tehsil according to BISP. SPPAP identifies the poorest households within the Community Organisations (groups composed of 20 members on average) based on BISP scores validated by the CO themselves. Households selected to participate are therefore among the very poorest in Punjab. The efficacy of targeting has been attested by various missions and field visits, which also acknowledged the important benefits gained by participating households.

13. SPPAP is the first project to utilise poverty scorecards for targeting purposes. Although no rigorous assessment has been undertaken on exclusion of the poorest, field visits suggest that this approach, subsequently used by many other programmes, has been successful.

14. SPPAP will test other innovations by adopting a payback scheme for small ruminants and for agricultural inputs and introducing a food bank. These will be based on concept notes developed by the SPPAP PMU in close consultation with NRSP. Establishing an effective M&E system will be critical to ensure learning from those experiences. Successful undertakings would be publicized in order to (i) get the message of self-reliance disseminated among the target population and (ii) advocate scaling up by the Government of Punjab. The recommended pilots are outlined below:

(a) Provide low-cost housing to those landless households selected under the lowest poverty band to receive land plots.

(b) Replace the one-time grants for agricultural productivity enhancement with Revolving Funds that provide farmers access to improved inputs that are re-stocked after the harvest. NRSP has established a national microfinance bank that also operates in the Project area. Athough the bank’s operations do not currently cover the project target group (PSC band of 0-23), it is expected that pilot revolving fund recommended by the MTR may offer an opportunity to establish new linkages between COs/VOs and new sources of agricultural financing.

(c) Introduce Food Bank facilities which would enable poor households to overcome a large part of the hunger season (without incurring financial debt or being obliged to provide labour in return for private assistance).

(d) Ensure linkages between the distribution of assets and vocational and entrepreneurial trainings, e.g. draw on trained masons for house construction, ensure entrepreneurial training includes orientation sessions with community groups on small ruminant markets and ensure micro-entrepreneurial support includes support to farmer organisations supported under the project.