



Lao PDR

Partnerships for Irrigation and Commercialisation of Smallholders Agriculture (PICSA)

Implementation Support Mission – Aide Memoire

Type of mission	Implementation Support
Project Name	Partnerships for Irrigation and Commercialisation of Smallholders Agriculture (PICSA)
Country	Lao PDR
Country Director	Mr. Francisco Pichon
National Project Coordinator	Mr. Khansawanh Sisopha
Date of mission (month/year)	Mar. / 2022
Project Area:	19 Districts in 4 Northern Provinces of Houaphan, Xieng Khouang, Luang Prabang and Sayabouly
Days in the field	6 days
Field sites visited	Ban Thongphiengvilay, and Ban That villages in Nan District, Luang Prabang province; Ban Pong in Xayabouly District; Ban Muang Phieng and Ban Phonxay villages in Phieng District, Xayabouly Province
Mission composition	Mr. Soulivanh Pattivong, IFAD Country Programme Officer, Team Leader Mr. Emmanuel Jouve, Agriculture Specialist Mr. Harold Liversage, IFAD Lead Global Technical Specialist, IFAD Safeguards Ms. Rachele Arcese, IFAD Programme Officer (PO), Targeting and social Inclusion Specialist Ms. Eva Hendrika Jordans, Water User Group organization and irrigation management / Value Chain Specialist Mr. Le Chi Dung, IFAD Country Finance Analyst / Financial Management Specialist Mr. Chu Tuan Dat, Procurement Specialist

A. Mission Objectives and Key Conclusions

Background and main objective of the mission

1. IFAD and the Government of Lao PDR (GoL) jointly conducted an Implementation Support Mission (ISM) Partnerships for Irrigation and Commercialisation of Smallholders Agriculture (PICSA) from 28 March to 8 April 2022.
2. PICSA became effective on 29th November 2019 with an expected completion date of 31st December 2025. Total project costs are about US\$ 30 million equivalent, of which an IFAD loan will fund approximately US\$ 13 million, GoL approx. US\$ 2.1 million, beneficiaries US\$ 5 million equivalent, in cash or in kind, and private sector will contribute about US\$ 1.5 million. Additional loan financing of US\$ 8 million transferred from the NSLCP-RFSP project was approved by IFAD Executive Board in October 2020.
3. PICSA is implemented by Ministry of Agriculture and Forestry (MAF) through its Department of Irrigation (DoI). Implementation of the project is decentralised through Provincial Project Implementation Teams (PPIT) in four target Provinces (Xieng Khuang, Huaphanh, Xayabouly and Luang Prabang) and District Project Implementation Teams (DPIT) in 19 Districts.
4. PICSA forms part of a national programme with the Sustainable Rural Infrastructure and Watershed Management Sector Project (SRIWMSP, ADB/EU-funded) and Lao PDR Emission Reductions Program through Implementation of Governance, Forest Landscapes and Livelihoods Programme (ERP, BMZ/GCF-funded and implemented by GIZ). PICSA and SRIWMSP are implemented through a single PGT in DoI. ERP is implemented through MAF's Department of Forestry.
5. The key objectives of the mission were to: (1) review arrangements made and performance of the project to ensure that preparatory processes are on track for 2022 field investments; (2) review the status of implementation of agreed actions made during the 2021 SM; (3) provide technical assistance to the project team on identified issues.
6. In the context of heightened precautions against the spread of the COVID-19 pandemic virus, the mission was conducted in hybrid modality: the in-country team conducted field visits and consultations jointly with PGT, PPIT and DPIT. The remote mission team members joined through video link when possible. The mission interacted with project stakeholders at central level (MAF, ADB, GiZ, etc.) and line agencies at sub-national levels (agriculture and forestry, public works and transport, public health, education, Lao Women Union, etc.), as well as district authorities. The team interacted with production groups committees and members, water users' groups, village nutrition committees and conducted spot visits to locations selected for physical investments (farmers groups production and infrastructure investments, irrigation schemes, and access tracks).
7. Ms. Bounthiene Vongkaysone, DoI Deputy Director General participated in the field visits and chaired the kick off meeting on 28th March 2022 and the wrap-up meeting on 8th April 2022. The mission expresses its appreciation to the Government of Lao PDR, MAF, and other related Ministries and Departments, the PGT and all stakeholders at central and local levels, who participated in the mission for their cooperation and support.

Key mission agreements and Conclusions

8. Assessment of overall progress: Since last mission in December 2021, PICSA has made significant progress, including : (i) Village profiles in 70 villages, (ii) Farmers' groups establishment and official endorsement, bank accounts opening (iii) Investment plans for the first round of investments in 70 villages, (iv) First MSP organised, (v) Long list of access track investments, (vi) Started nutrition activities and hired SP for KAP survey, (vii) Selection of the second cohort of 140 villages for initial engagement in 2022 and first batch of grants disbursement in 2023 and preparation of village profiles. A harmonized approach for rolling out of group-level grants and SME grants has been discussed with SRIWMSP.
9. Although physical investments have not been initiated yet, this mission organised early in the year confirmed that the project is likely to deliver most of the expected outputs as per the AWPB 2022. However, to ensure investment grants can be rolled out before the start of the cropping season in June, some critical steps need urgent attention, including resolving the issue related to tax exemption,

accelerating the FGIF proposals review and approval process and ensure the grant implementation modalities follow the FGIF manual (including procurement by the groups).

10. Key constraints affecting delivery of project outputs and outcomes have been identified : (i) Project TA staff performance at central and provincial levels needs review and improvement, (ii) Internal decision process needs to be improved at PGT level for key management functions such as annual planning, procurement, HRD, finance, etc., (iii) Internal coordination and communication at Provincial and District level have room for improvement, (iv) Procurement and FM needs to be strengthened/clarified (v) Coordination between PICSA, SRIWMSP and ERP can be improved, possibly through joint supervision missions (vi) Targeting strategies at village and group levels needs to be reviewed and consolidated. The overall outreach in terms of number of target villages is to be reviewed, while overall outreach target in terms of number of households and persons receiving services from the project are to be maintained. This review intends to intensify support in a fewer number of villages and avoid dispersed interventions. Key strategic agreements are summarised in the table below:

Component 1 (Intensified agricultural development) is assessed as satisfactory (5/6): Significant progress has been made in terms of groups' readiness and planning for investments, and implementation capacities at district level have been visibly strengthened.

11. Output 1.2 – Water User Groups (WUG) trained. The O&M guidelines have been finalized and translated into Lao language. A kick start training package has been developed by the O&M senior adviser, in close collaboration with the Department of Irrigation. TOT training for all four provinces and supervision and guidance has been provided to support the roll out of training in all target districts.

12. Efforts have been made to closely coordinate with the ADB SRIWMSP Project and regular meetings are conducted with the ADB water management experts to develop a joint planning approach. Some activities may be conducted jointly, whereas others may be distributed. Ultimately the same PPIT and DPIT and district staff implement the activities with the farmers. PICSA will predominantly focus on strengthening existing groups of water users at village level while at scheme level the overall WUG/WUA will be supported by ADB SRIWMSP. PICSA will form and support the Agricultural Production Groups and support market linkages for high value crops. SRIWMSP will address and ensure compensation/mitigation of loss of land to extension of schemes/construction, resettlement and disruption of services due to construction works.

13. The list of 120 villages in 18 ADB schemes has been updated in line with ADB consultation, and provincial and district focal points for O&M have been instructed to start collecting data at village level as per the O&M manual requirements. A second round of District level TOT training is scheduled during late April 2022 and will be followed by the delivery of WUG / WUFG administration and operations trainings directly with the groups, as per the target set in the AWBP 2022.

14. Issues: (i) Coordination: Ensure consistency on WUG and O&M messages and establish effective coordination and collaboration approach between PICSA and SRIWMSP. SRIWMSP has to start construction activities, with the first 4 scheme designs ready. Construction will start this year. Strengthening and involvement of WUGs is important in all phases of the irrigation scheme rehabilitation, not only after construction. WUGs can give their inputs in the design, perform an active role in oversight/quality control during construction and suggest exact placement of valves and off-takes during construction. With completion date set at December 2025, and delays in construction there may be less time to support WUGs after construction is completed.

15. (ii) Training approach: Existing functioning Water user groups would need a different capacity building approach compared to areas where no functioning WUG exist – so no blueprint approach should be followed; instead the capacity building approach should be based on actual needs and functioning of each WUG. The WUG training approach would need to involve all members of the group, and not only the WUG Committee. The mission shared with PGT several participatory training exercises developed by FAO and used by IFAD in Rwanda and Lesotho that could be used.

16. Output 1.4 – Farmer Group Investment Facility established: The first batch of 70 farmers' groups have been established and formally endorsed by district authorities. The groups have opened bank accounts and have prepared investment plans to be supported by the Farmers' Group Investment Facilities (FGIF). The investment proposals are being reviewed for consistency and technical quality by PPIT and PGT and are expected to be approved by end of May 2022. The 70 Agricultural Production

Grant proposals include a diversity of production activities - vegetables, groundnut, sticky rice, garlic and turmeric as well as pig and goat meat production.

17. Out of these 70 groups, 40 prepared infrastructure grant proposals to support their production. A majority of the 40 proposals are for small scale irrigation facilities and a few are for feeder track improvement and UXO clearing. These proposals currently have a very large scope of various interventions: different irrigation systems like gravity, electric pump, solar pump and small canal improvement, and the use of different sources of water. PPIT and DPIT, especially, the irrigation staff, need to understand better each system to be able to assess, design and prepare budgets for this range of small-scale irrigation projects. At central level, PGT has expertise in the form of an On-Farm Water Management Specialist who supports Provincial and District staff and reviews the grant proposals. A template for these proposals has been developed. To ensure quality of grant proposals the mission advises to hire short-term additional TA (1 or 2) for one year to practically support the PPIT and DPIT to prepare these proposals in the next batch of infrastructure grant proposals, as well as support their implementation. This will also be on-the-job training for District staff, so that for the third batch of proposals they are better equipped to do this on their own. This TA needs to be irrigation engineers with experience in small-scale schemes and technologies including boreholes, solar pumps, sprinklers and drip irrigation, etc.

18. The investment proposal template has been kept relatively short and simple to promote groups involvement in their preparation. The proposals are reviewed at central and provincial levels for consistency (names of bank account signatures and committee members), technical feasibility, and environmental screening. The review does not include aspects such as profitability, value for money, sustainability of the investments.

Component 2 (Value chains developed) is assessed as moderately satisfactory (4/6).

19. Output 2.1 – Multi-Stakeholder Platforms (MSPs) established. Trainings on the MSP process were conducted in all provinces and 12 districts and the project has initiated the first MSP events in Houaphan (6 meetings), Luang Prabang (4 meetings) and in Xayabouly (2 meetings). These first events were useful in mobilising stakeholders, but some events were organised with farmers' groups involved in different production activities. Too few buyers and equipment / inputs suppliers were invited. For the next round of meetings, stakeholders' involvement can be broadened, and events are to be made VC specific.

20. Output 2.2 – Agro-enterprise Investment Facility established. The AEIF grants will be rolled out when MSP processes have resulted in business matching agreements and joint investment opportunities with SME have been identified. PICSA and SRIWMSP have agreed on a clear joint approach to rolling out the SME grants, where PICSA focuses on supporting local SMEs operating in the local and domestic markets, while SRIWMSP will mobilise larger grants in support to SMEs that are export oriented.

21. Output 2.3 – Access improved. The project has established formal links with the Public Works and Transportation (PWT) offices in the 4 provinces and at district level. Based on consultations between district line agencies and target villages, a long list of potential candidate access track alignments has been prepared. Most of the proposed alignments consist of village to production area tracks and a few villages to main road tracks. The combined length of access tracks is of 360 Km, while the AWBP 2022 made provision for 250 Km. During the mission, it was confirmed that the unit cost for access track rehabilitation indicated in the Costab is broadly in line with PWT standard costs for rehabilitation of cat VII rural tracks (LAK 40 million / km).

22. Issues: (i) the project approach has deviated from the design: village-to-production-areas access track were initially included under the Farmers' Groups' infrastructure grants under component 1 and village-to-village tracks under component; (ii) the long list of proposed alignments contains proposals to create new access tracks that are ineligible for investment, unless a detailed assessment of environmental and social impacts is conducted. Before proceeded to survey and design stage, the project is to apply selection criteria and determine a consolidated short list of access tracks for rehabilitation in 2023.

Component 3 Improved nutritional practices: is assessed as moderately satisfactory (4/6)

23. Component 3 will be implemented in 135 villages of nine districts of Xayabouly and Luang Prabang provinces. Key activities include nutrition education and SBCC interventions, nutrition grants and school gardens.

24. So far, preparatory arrangements have been implemented in 48 villages (35% of the target), including : (i) district orientation held for 192 participants / 67 women from PGT, DNC, PPIT and DPIT, on component 3 and nutrition related aspects, timeline on nutrition interventions in target villages, criteria of nutrition target villages, etc.; (ii) District Nutrition Committee established in nine districts of the two provinces with 81 members (36 women); (iii) training held to 47 TOT (33 women) from PNC and DNC; (iv) Village Nutrition Committee established in 48 villages with 108 members (58 women); (v) three Village Nutrition Facilitators (health, agriculture and LWU) from the Village Committee, selected; (5) 135 nutrition villages (64 in Luangprabang and 71 in Xayabouly) re-selected through consultations with DCN, PPIT and DPIT; (vi) 48 schools selected for nutrition interventions; (vii) key tools developed including nutrition facilitator handbook, teacher nutrition handbook, food processing hand book, with nutrition posters for nutrition TOT and nutrition activities in the village level; and (viii) ten poor households from each village selected for grant support for household nutrition improvement.

25. The Knowledge, Attitudes and Practices (KAP) survey questionnaire is being prepared by a service provider and will be shared with IFAD for technical inputs. The KAP survey should include the establishment of the baseline of the Minimum Dietary Diversity for women (MDDW) indicator based on consumption of 10 food groups (also including local foods-including forest foods- with high nutritional value). The field survey is expected to start during late April and the KAP survey will be completed during July 2022 and the results will be used to inform the project nutrition interventions priorities, needs, and implementation modalities. The logframe has integrated the nutrition core indicators CI 1.1.8 and 1.2.8. However, the CI 1.2.8 (MDDW) appears both at the goal level and outcome 3 level. It is recommended to maintain the indicator at the outcome level and remove it from the goal level since the target for nutrition is only 1,700 beneficiaries.

26. There are several on-going nutrition related programmes in the target provinces. There are risks of duplication of interventions, but also opportunities for partnership and complementarity. The Project is to map these on-going interventions and identify the villages with the highest needs, based on information from the District Nutrition Committees.

27. As planned, to improve nutrition education and SBCC at school and community levels, PICSA has planned to conduct a number of key events and interactive sessions: village nutrition day (health, agriculture, education, cooking session), HH exchange visits among granted HHs and nutrition awareness raising at school and community using developed tools and related videos already developed by SSSJ, AFN, etc.

28. PICSA has developed detailed work-plans and activities to be implemented during Q2, that will accelerate key investments of Component 3 from now on.

Targeting and gender

29. According to the project data, to date the project has reached 6,965 individuals, of which 47% men, 53% women, 28% youth and 18% belonging to ethnic groups. Almost 60% of total outreach has been reached from January to March 2022 thanks to PICSA commendable progress and launch of activities. To ensure that the project meets its intended target groups while promoting social inclusion of vulnerable, marginalized and disadvantaged groups, a comprehensive Targeting Action Plan (including gender, youth and ethnic groups' considerations) is to be developed based on a contextual analysis and an analysis of the capacities of target groups and feedback recipients as recommended during the last supervision mission in December 2021.

30. The PICSA target area includes 4 provinces, 19 districts and 353 villages (of which 23% are ADB-SRIWMSP, 10% are GIZ- ERP and 67% are PICSA villages). To date, the project completed the village profiles for 70 villages in 2021 and 140 villages in 2022. According to PICSA implementation scale-up approach, start-up activities will focus on 210 villages in 2022 and 143 villages in 2023. The mission discussed the option of downsizing the number of villages by reaching more people in the existing villages for greater impact and less dispersion.

Table 1. PICSA target villages, including ADB and ERP villages, per year of implementation

Implementation year	Tot targeted villages	Villages overlapping with ADB- SRIWMSP	Villages overlapping with GIZ- ERP	PICSA villages
2021	70	35 (50%)	9 (13%)	26 (37%)
2022	140	28 (20%)	16 (11%)	96 (69%)
2023	143 (tbc)	18 (13%)	11 (8%)	114 (79%)
TOTAL	353	81 (23%)	36 (10%)	236 (67%)

31. Gender: Since last supervision mission in December 2021, PICSA converted the TOR of the gender consultant into a Targeting and social inclusion consultancy as per agreed action. However, neither a gender and social analysis of PICSA target groups was conducted nor the gender action plan was translated into a broader Targeting Action Plan (TAP). Also, no progress has been noted in terms of increased engagement and coordination with ADB and GIZ gender focal points at central level. Following a meeting with the latter, it was decided to set quarterly meetings between the central gender focal points of the three projects or ensure that they actively attend the coordination meetings of the three projects at management or technical level.

32. The mission jointly reviewed the PICSA's GAP and agreed to provide inputs in tracked changes to the project via email. Meantime, the project will (i) conduct a social assessment of the targeted area based on the available village profiles data analysis, among others; (ii) based on the results of this analysis and IFAD comments to the GAP, broaden out the GAP into a Targeting Action Plan (TAP) to include also youth and ethnic groups mainstreaming activities with no extra budget implication; (iii) apply targets in terms of women participation to project activities (e.g., 25% committees; 45% training; tbd% grants; tbd% women occupying decision-making positions in APGs/WUGs and in project-related decision-making bodies; tbd% female staff within the project team at all levels, etc.); (iv) identify and train social inclusion focal points at all levels, and ensure communication and knowledge sharing with SRIWMSP and ERP respective focal points; (v) ensure that sex-disaggregated results and impact data are regularly collected regarding both beneficiaries and project staff at all levels. The TAP is to be intended as a living document that can be updated in due course as needed and in consultation with IFAD Laos office.

SECAP

The ESMP has been developed and received no objection. PPIT and DPIT have been trained in formal meetings, but no on-the job coaching has been conducted so far. The Rural development specialist has left the project and a replacement specialist is expected to be mobilised in May 2022. The specialist will be charge of disseminating the ESMP and screening guidelines to PPIT and DPIT to support up-coming investments: farmers production and infrastructure grants (in irrigation in particular), access tracks, etc. The project is yet to develop a climate change adaptation strategy.

Project management

33. The project management has continued to show significant efforts in implementation of the previous SM recommendations including the following: (i) all staff recruited and are on board; (2) monthly district technical meetings held, but mainly attended by DPIT from DAFO and some district technical agencies needing technical support only; and (3) trainings held for 392 participants (110 women) from PPIT and DPIT on thematic areas.

34. With large number of implementing and supporting agencies, namely at district levels, even with clear division of tasks between these agencies, it is crucial to continue to improve coordination among the agencies to coordinate district level work effectively, through regular District monthly technical meetings with detailed monthly activity planning and budgeting in line with FM management rules and timely reporting and information sharing. In partnership with PPIT, it is suggested that FM and M&E advisors, and other TA of PGT join monthly district technical meetings to provide technical support (activity planning, budgeting, reporting, etc.) to come up with practical monthly work-plans, clear deliverables and timely reporting. This system will facilitate the decentralised approach, supported by all levels of government. Strict adherence to this system will be needed to enable the accelerated implementation of planned deliverables, including investments of the FGIF, AEIF, nutrition related interventions, etc., from Q2 of 2022.

35. To support rural decentralised project implementation and management as per project design, proactive roles of PPIT, namely Provincial Project Coordinator and Provincial Project Advisor – PDA and APG advisor, should be increased to provide technical support to DPIT (district project coordinator, M&E, FM, Cluster Facilitators, etc.), in planning for investments and providing clear information on the upcoming steps and modalities. Similarly, as per the ToRs, proactive roles of the District Project Coordinator, FM and M&E advisors and Clusters Facilitators should be raised up to plan and implement project activities with timely reporting and information sharing among district implementing agencies.

36. Even with technical trainings held, staff at district level has significant capacity gaps for planning/investment mechanism, nutrition-technical contents and financial management. Re-fresher trainings via monthly technical meetings, etc., and regular technical support by PPIT and PGT to district counterparts and APGs, etc., are needed in supporting and providing clear information on the upcoming steps and modalities for field investments.

M&E

37. Since last supervision mission in December 2021, all set-up arrangements for the online Project Implementation Monitoring & Evaluation System (PIMES) have been completed. The M&E system looks adequate to allow monitoring of project activities implementation and results at all levels, however, there is still room for improvement in reporting the participation of beneficiaries accessing project services at the individual level by using the available data disaggregated by sex, age, ethnic group and economic status. Furthermore, it was recommended to have the main titles of all M&E databases in both Lao and English languages.

38. The M&E training needs assessment for all 19 M&E staff has been completed. Training sessions are scheduled to take place in May and June 2022 together with the KM training sessions.

39. PICSA M&E Guidelines have been finalized. The project will update them based on the inputs provided by IFAD via email on 22 March 2022.

40. The COI baseline survey has been completed, while the KAP survey has just been launched. It was agreed that at MTR, KAP questions will be integrated into the COI midline survey to streamline the two processes. Regarding the Annual Outcome Surveys, IFAD clarified that they are no longer compulsory as they have been superseded by the COI methodology; however, the project can still make use of them and seek IFAD comments to the questionnaire (max 20 questions covering a small, random sample of project beneficiaries), if need be.

41. The mission reviewed the LogFrame with the project, and it was noted that the project is yet to confirm if PIM was adjusted to correct the discrepancy on the indicator for Output 2.1 between the PIM and PIMES.

42. The following two indicators need further discussion among IFAD and PICSA in a follow-up technical meeting: (i) Outreach- Groups receiving services: there is the need to clarify whether the groups are counted by services or groups of individuals, hence confirm or review the related end target; (ii) Development Objective: % households - percentage (%) – according to the baseline study, the baseline target should be 14% (rather than 30%) and midterm 11% (rather than 20%). PICSA and IFAD will need to discuss on whether the targets should be modified.

Knowledge management

43. Following last SM recommendations, KM officer conducted assessment of KM capacity at all levels and developed training material on quantitative and qualitative data collection and analysis and on report writing accordingly. The KM training will be provided to 4 provinces in May and June 2022 together with the M&E officer.

44. To improve both KM and M&E activities, 95 tablets are being procured for M&E/KM staff at all levels. The KM and M&E specialists will provide a specific training to relevant district officers on how to use the tablets for KM and M&E purposes; accordingly, district staff will train village M&E/KM focal points.

45. Informative material on nutrition (over 30 publications), AEIF, farm water management and O&M was produced and distributed to relevant stakeholders. Further material will be prepared to ensure beneficiaries fully understand project activities, including beneficiaries in the most remote areas, based on the KM plan to be developed.

46. Quarterly meetings are held with district and provincial staff to discuss lessons learned from both project failure/successes. PICSA will ensure that ERP and SRIWMSP relevant staff will also be invited to the next meetings to ensure proper knowledge sharing and coordination between the three projects, including on mainstreaming themes. Lastly, PICSA will think on a recognition event to encourage KM/M&E staff engagement and motivation at all levels (e.g., KM award during project annual meeting).

47. While the KM and Communication strategy has been finalized and approved by IFAD in March 2022, the project has not developed a detailed KM plan yet. The mission shared a KM plan template with the project to be completed (who, what, why, when, how, etc.) to guide the implementation of KM activities.

Financial management

48. As of March 2022, disbursement rate is USD 0.4 million, 10% of AWPB and 16% cumulatively. Disbursement rate is still low and needs to be improved in the future.

49. In reference to the Letter to Borrower (MOF), dated 28 April 2021, PICSA received an additional loan of USD 8 million. In the Letter to Borrower, there is USD 1 million for authorized allocation of additional loan that is available for disbursement to the project. This additional advance will overcome the shortage of funding for project implementation. Through MOF, PICSA/DOI/MAF should request to get USD 1, 000,000 to DA. In addition, project should ensure the frequency of WA submission in ICP, at least quarterly.

50. The mission appreciates prompt action to address the issues from last supervision mission, especially the capacity building for project finance staff in Q1 2022 and ongoing process of the selection of add-on accounting software. The mission acknowledges the timeliness and correctness of financial reporting provided to IFAD.

51. The following issues need to be addressed by PGT and ministries: (i) Tax exemption is still not entirely resolved, and this is one of the bottlenecks for procurement and it is not complied to IFAD covenant, it has been ongoing issue being discussed with MoF and needs to be resolved completely.

52. Implementation of new add-on accounting software will be significant for improvement of Financial Management that need to be systematically carried out at provincial and district levels. The mission appreciates the ongoing recruitment of additional Finance Staff and believe this would strengthen the project's FM capacity on checking increasing supporting documents. We advise the continuity of capacity building and training to finance staff at all levels and keep strong cooperation with IFAD Finance Officer to resolve ongoing issue.

53. With the new additional loan to be used in the future, PGT should ensure separate source and used of fund to be posted in the accounting software and reported in accordance with IFAD reporting requirement.

Procurement

54. The Procurement Plan (PP) for 2022 was approved by IFAD on 7 March 2022. The implementation of PP for 2022 is on track with some delays. Only 2 out of 10 goods packages are under procured. Among 42 consulting services packages, 2 packages are under procured and 2 packages were procured. Most of the remaining goods packages are pending approval of the farmers' groups' investment proposals. None of the 2 works packages, which contain many small contracts, have been procured pending the approval of the groups' proposals. It is foreseen that lot of procurement will be carried out from June to August 2022 after proposals are approved, expectedly in May 2022. The timelines in the PP need to be updated.

55. For procurements to be implemented by farmer groups, the groups shall follow the FGIF Guideline. To facilitate groups getting 3 quotations for contracts greater than USD 3,000, PPIT and DPIT should provide farmer groups with a list of potential suppliers, including contact information, of equipment and construction materials. In addition, the groups will be provided with requirements on records keeping and supporting documents to be submitted with claims for payments to avoid delays.

56. As 4 April 2022, the Project has entered into the CMT system 156 contracts, including 4 goods contracts, 19 work contracts, and 133 consulting services contracts with a total value of USD 1,307,694. This is considered a good progress compared to the small number of entered contracts in the last mission. However, PGT needs to check the entered data as the system shows that 7 contracts are 120-200 days overdue, 2 contracts are 60-120 days overdue, 1 contract is 0-60 days overdue, and 24 contracts (USD 112,560.91) have payments greater than implementation.

57. The publication of contract award notices has not been done yet. The Mission recommends the Project to develop a Project website for knowledge sharing and publication of contract award notices.

58. Up-coming missions: the supervision mission is planned for Q4 2022, and is suggested to organise it jointly with ADB and GiZ if possible. The MTR is tentatively scheduled for mid-2023.

59. IFAD and the Government of Lao PDR hereby endorse the findings of the Implementation Support Mission.

Francisco Pichon
Country Director, IFAD



20 April 2022

Date:

Bounkham Sydavong
Director General
Department of Irrigation
Ministry of Agriculture and Forestry



Date:

Bounkham SYDAVONG

Agreed Actions

	Key mission agreements	Responsibility	Deadline	Status
1	Project TA staff at PGT and PPIT Review performance of key TA positions and propose improvements at PGT and PPIT level	PGT	Immediate	Agreed
2	Internal decision-making process at PGT Improve decision making process at PGT for key management functions of the project: planning, procurement, HRD, finance, involving CTA	PGT	Immediate	Agreed
3	FGIF implementation readiness Ensure readiness for rolling out FGIF before the start of the cropping season (including Tax exemption issue, proposal review and approval process, grant implementation as per the FGIF manual including procurement of goods and works by the groups, etc)	PGT, PPIT, DPIT and farmers' groups	Immediate	Agreed
4	Coordination between PICSA, SRIWMSP and ERP Continue operationalisation of harmonized interventions between the 3 programmes (PICSA, SRIWMSP and ERP), consider in-country joint supervision missions between IFAD, ADB and GiZ	PGT, IFAD, ADB, GiZ	Nov / Dec 2022	Agreed
5	Targeting strategy Review the overall village targeting strategy for the third cohort, improve the farmers' group targeting and formation processes	PGT, steering committees, IFAD	Jul/2022	Agreed
	Component 1 - Intensified agricultural development	Responsibility	Deadline	Status
6	Coordination for WUG support under Comp. 1.2 Ensure consistency on WUG and O&M messages and establish an effective coordination and collaboration approach between PICSA and SRIWMSP	PGT	Jun/2022	Agreed
7	Coordination of WUG support (Comp 1.2) In each Province, PPIT and DPIT should develop a joint programme for strengthening of WUG in the SRIWSMP RSP areas, combining resources of the two projects for this purpose.	PGT/ PPIT / DPIT	Continuous	Agreed
8	WUG Training approach (Comp 1.2) Capacity building of existing WUGs to be based on their functioning and needs, and involve all WUG members	PGT, PAFO, DAFO, PPIT/DPIT	Nov 2022	Agreed
9	Technical support for irrigation proposals (Comp 1.4) Engage short-term TA (1 or 2 for 1 year) to practically support PPIT and DPIT in preparing small-scale irrigation infrastructure grants and support implementation. Provincial irrigation services to support checking design of irrigation investment grants on output-based arrangement	PGT	Jun 2022	Agreed
10	FGIF approval and implementation modalities Ensure that the FGIF implementation remains under the responsibility of the farmers' groups with guidance and supervision of the DPIT. Follow FGIF manual	PGT, PPIT, DPIT, farmers' groups	May 2022	Agreed
11	Review and approval of second cohort FGIF proposals For next round of proposals, strengthen the review of the proposals' technical, financial, environmental and sustainability aspects	PGT, PPIT	At next round	Agreed
12	Implementation approach for the 3rd cohort of villages Once the project has made a decision on the village targeting approach, review the number of group members in the villages and develop a revised approach for rolling out of grants and trainings	PGT	Aug/2022	Agreed
	Component 2 - Value chains developed	Responsibility	Deadline	Status
13	MSPs arrangements MSPs: Before next season organise VC specific MSPs to prepare seasonal plan between stakeholders for a specific commodity	PGT, PPIT, PICO	Aug /2022	Agreed

14	AEIF grants – harmonisation with SRIWMSP, ERP Operationalise the agreements between the 3 projects (PICSA, SRIWMSP, ERP) and other on-going projects on harmonization of MSPs to inform investments and rolling out of SME grants	PGT, SRIWMSP, ERP	Aug/2022	Agreed
15	Eligibility of access tracks, risk screening Apply risk screening and exclude non-eligible investments (new access tracks, existing tracks that may have impacts on areas under protection status, wetlands, etc)	PGT	Jul /2022	Agreed
16	Change in the access tracks rehabilitation approach Consolidate the new approach for access track and disseminate across all stakeholders (including public work and transportation and target villages)	PGT, PPIT and DPIT with PWT and steering committees	Jun/2022	Agreed
17	Complementarity of investments Ensure complementarity of access tracks investments with other project interventions.	PGT, PPIT and DPIT with PWT and target villages / farmers' groups	Jul./2022	Agreed
Component 3 - Improved nutritional practices		Responsibility	Deadline	Status
18	KAP survey Finalise design of KAP survey and support the contracted service provider to conduct KAP survey in Xayabouly and Luang Prabang. KAP survey should include study of availability / consumption / nutritional value of forest foods	PGT	July 2022	Agreed
19	Mapping of Nutrition Interventions and Comp 3 Planning Map on-going nutrition projects / activities and nutrition needs in Xayabouly and Luang Prabang Districts. Develop implementation plan for Component 3 based on (1) KAP survey results; (2) mapping results; (3) opportunities for partnership; and (4) priority needs	PGT	Oct 2022	Agreed
20	Beneficiary targets for nutrition From the logframe, the target number for nutrition is 1,700 HH (CI 1.1.8). Considering that the bulk of nutrition interventions are based on nutrition education and SBCC, the project should consider raising this target to minimum of 10,000 households. The nutrition outreach to also be disaggregated by beneficiary type (e.g poor HH, women of reproductive age etc), number of schools targeted etc	PGT	June 2022	Agreed
Gender		Responsibility	Deadline	Status
21	Gender and social analysis Undertake a gender and social analysis of PICSA potential beneficiaries based on village profiles data analysis, among others.	Gender specialist/PGT	Apr 2022	Agreed
22	Finalization and conversion of GAP into TAP (1) Together with PICSA project team (especially with component specialists, M&E and KM officer) convert the GAP into a broader Targeting Action Plan (TAP) which, besides gender, includes also youth and ethnic groups mainstreaming activities; (2) finalize activities formulation having no extra budget implication; (3) ensure that gender mainstreaming activities address the following three objectives: economic empowerment, voice and decision making, equitable workloads; (4) set targets in terms of women participation to project activities; (5) ensure that sex-disaggregated results and impact data are regularly collected, regarding both beneficiaries and project staff at all levels.	PGT	Apr 2022 - continuous	Agreed
23	Capacity building of local authorities Nominate gender/social inclusion focal points at the district level and raise gender awareness and build capacity among project-related staff and local authorities.	Gender specialist/PGT	January 2022	Agreed

	SECAP	Responsibility	Deadline	Status
24	ESMP Translate the ESMP into Lao language and ensure that DPIT are involved in screening of Environmental, social and climate risks of investments. On the job follow up training to be provided to district staff, involving village and farmer's groups in the process	PGT specialist / Env DPIT	Jun 2022	Agreed
25	Risk screening Sub-project screening to be decentralized to district & village levels	PGT and DPIT	Apr 2022 - continuous	Agreed
26	Climate change strategy Develop a climate change adaptation strategy for mainstreaming across all project components and stakeholders	PGT	June 2022	Agreed
	Project Management	Responsibility	Deadline	Status
27	Proactive roles of PPIT and DPIT Provincial and District Project Coordinators and Project Technical Advisors are to intensify support to district counterparts in supporting groups in planning for investments and providing clear information on the upcoming steps and grants implementation modalities	PPIT and DPIT	Continuous	Agreed
28	Monthly Technical Meeting Organised regular District monthly technical meetings, attended by related district implementing agencies, held with support of PPIT and FM and M&E Advisors, and other TA of PGT as needed, on activities planning, budgeting and reporting, etc.,	PPIT, PDIT and PGT	Continuous	Agreed
29	Re-fresher trainings and technical support to DPIT and APGs PGT to continue to provide re-fresher trainings and support to PPIT and DPIT on thematic areas – procurement and financial management, M&E, etc. PDIT and DPIT will continue to take the advantage of District Monthly Meetings and Quarterly Meetings to orient PPIT and DPIT and related agencies, to develop a clear understanding of project objectives, project components, implementation methodologies of each component/activity, financial arrangements, monitoring and evaluation requirements	PGT, PPIT and PDIT	Continuous	Agreed
	M&E, KM	Responsibility	Deadline	Status
30	Reporting on beneficiaries Report on beneficiaries at individual level and not only at HH level, disaggregating data by gender, age, ethnic group, economic status.	M&E Officer	Continuous	Agreed
31	Logframe indicators Logframe indicators "Groups receiving services" under Outreach and "% of households below the poverty line" under development objective to be clarified in a technical follow-up meeting	M&E Officer, PGT / IFAD	May 2022	Agreed
32	KM plan 2022 Finalize detailed 2022 KM plan based on the template provided by IFAD during the ISM	PGT, KM specialist	May 2022	Agreed
33	Project website Create a project website to disseminate key information such as contract awards, interactive map of target villages and interventions	PGT specialist / KM	Nov 2022	Agreed
	Financial Management	Responsibility	Deadline	Status
34	Advance to be requested for Additional Loan Withdrawal Application for advance of USD 1 million is submitted to IFAD as per Revision to LTB dated 28 April 2021 for additional loan	PGT, MAF and MOF	Jun 2022	Agreed

35	Tax exemption for project expenditure MoF issues Tax exemption certificate/approval	MoF, MAF	Jun 2022	Agreed
36	Strengthening FM system and reporting Procurement and Implementation of new add-on accounting software	PGT	Jun 2022	Agreed
37	Increase Finance Staf at PGT Additional Finance Staff to be recruited to support the inspection of supporting document.	PGT	Jun 2022	Agreed
38	Reporting of additional loan Consult with software provider to ensure sources of fund are separately posted and reported from ACCPAC	PGT	Jun 2022	Agreed
	Procurement	Responsibility	Deadline	Status
39	Assist Farmer Groups Follow FGIF Guideline and APG procurement process conducted with technical support of DPIT in procurement, documentation, contract implementation, and disbursement in villages Provide a list of potential suppliers to groups and requirements on records keeping and supporting documents to be submitted with claims to get payments to avoid delays.	DPIT, PPIT, PGT	On-going	Agreed
40	Enter and Update Contract Data Review, clean, and update contract data	PGT	Monthly	Agreed
41	Publish contract award notices to public media Publish contract award notices to public media, such as a project website	PGT	Ongoing	Agreed